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By: 

FILED MAR 06 2007

H.B. No. 2542

A BILL TO BE ENTITLED

AN ACT

relating to the continuation and functions of the Office of Rural
Community Affairs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 487.001(1), Government Code, is amended
to read as follows:

(1) "Board" [~~"Executive committee"~~] means the board
[~~executive committee~~] of the Office of Rural Community Affairs.

SECTION 2. Section 487.002, Government Code, is amended to
read as follows:

Sec. 487.002. SUNSET PROVISION. The Office of Rural
Community Affairs is subject to Chapter 325 (Texas Sunset Act).
Unless continued in existence as provided by that chapter, the
office is abolished and this chapter expires September 1, 2011
[2007].

SECTION 3. Section 487.021, Government Code, is amended to
read as follows:

Sec. 487.021. BOARD [~~EXECUTIVE COMMITTEE~~]. (a) The board
[~~executive committee~~] is the governing body of the office.

(b) The board [~~executive committee~~] is composed of the
following 11 [~~nine~~] members:

(1) four [~~three~~] members who represent different
geographic regions of the state appointed by the governor,
including:

1 (A) two locally elected rural city or county
2 officials or city or county employees involved with rural
3 development; and

4 (B) two public members each of whom resides in a
5 rural city or county;

6 (2) three members appointed by the lieutenant
7 governor, including:

8 (A) one senator who resides in a rural city or
9 county; and

10 (B) two public members each of whom resides in a
11 rural city or county and is interested in rural issues; [and]

12 (3) three members appointed by the speaker of the
13 house of representatives, including:

14 (A) one member of the house of representatives
15 who resides in a rural city or county; and

16 (B) two public members each of whom resides in a
17 rural city or county and is interested in rural issues; and

18 (4) the commissioner of agriculture or the
19 commissioner's designee.

20 (c) In this section, "rural city or county" means a rural
21 city or county as defined by the federal community development
22 block grant nonentitlement program. [The governor, the lieutenant
23 governor, and the speaker of the house of representatives shall
24 each appoint at least two members who possess a strong
25 understanding of and commitment to rural interests based on the
26 individual's personal history, including residency, occupation,
27 and business or civic activities.]

1 (d) Appointments to the board [~~executive committee~~] shall
2 be made without regard to the race, color, disability, sex,
3 religion, age, or national origin of the appointees.

4 (e) The members of the board who are not serving as an
5 additional duty of an office in state government [~~executive~~
6 ~~committee~~] serve for staggered six-year terms, with the terms of
7 two or three members expiring February 1 of each odd-numbered year.
8 A member of the legislature serves at the will of the appointing
9 authority.

10 (f) Board [~~Executive committee~~] members receive no
11 compensation but are entitled to reimbursement of actual and
12 necessary expenses incurred in the performance of their duties.

13 (g) The governor shall designate a member [~~The members~~] of
14 the board as the [~~executive committee annually shall elect a~~]
15 presiding officer [~~from among the members~~] of the board to serve in
16 that capacity at the will of the governor [~~executive committee~~].

17 (h) Service on the board by a member of the legislature, the
18 commissioner of agriculture, or an officer of a county or
19 municipality is an additional duty of the individual's office.

20 SECTION 4. Sections 487.022(b) and (c), Government Code,
21 are amended to read as follows:

22 (b) A person may not be a member of the board [~~executive~~
23 ~~committee~~] and may not be an office employee employed in a "bona
24 fide executive, administrative, or professional capacity," as that
25 phrase is used for purposes of establishing an exemption to the
26 overtime provisions of the federal Fair Labor Standards Act of 1938
27 (29 U.S.C. Section 201 et seq.) and its subsequent amendments, if:

1 (1) the person is an officer, employee, or paid
2 consultant of a Texas trade association in the field of rural
3 affairs; or

4 (2) the person's spouse is an officer, manager, or paid
5 consultant of a Texas trade association in the field of rural
6 affairs.

7 (c) A person may not be a member of the board [~~executive~~
8 ~~committee~~] or act as the general counsel to the board [~~executive~~
9 ~~committee~~] or the office if the person is required to register as a
10 lobbyist under Chapter 305 because of the person's activities for
11 compensation on behalf of a profession related to the operation of
12 the office.

13 SECTION 5. Sections 487.023 through 487.027, Government
14 Code, are amended to read as follows:

15 Sec. 487.023. TRAINING FOR MEMBERS OF BOARD [~~EXECUTIVE~~
16 ~~COMMITTEE~~]. (a) A person who is appointed to and qualifies for
17 office as a member of the board [~~executive committee~~] may not vote,
18 deliberate, or be counted as a member in attendance at a meeting of
19 the board [~~executive committee~~] until the person completes a
20 training program that complies with this section.

21 (b) The training program must provide the person with
22 information regarding:

23 (1) the legislation that created the office and the
24 board [~~executive committee~~];

25 (2) the programs operated by the office;

26 (3) the role and functions of the office;

27 (4) the rules of the office, with an emphasis on any

1 rules that relate to disciplinary and investigatory authority;

2 (5) the current budget for the office;

3 (6) the results of the most recent formal audit of the
4 office;

5 (7) the requirements of:

6 (A) the open meetings law, Chapter 551;

7 (B) the public information law, Chapter 552;

8 (C) the administrative procedure law, Chapter
9 2001; and

10 (D) other laws relating to public officials,
11 including conflict-of-interest laws; and

12 (8) any applicable ethics policies adopted by the
13 board [~~executive committee~~] or the Texas Ethics Commission.

14 (c) A person appointed to the board [~~executive committee~~] is
15 entitled to reimbursement, as provided by general law and the
16 General Appropriations Act, for the travel expenses incurred in
17 attending the training program regardless of whether the attendance
18 at the program occurs before or after the person qualifies for
19 office.

20 Sec. 487.024. REMOVAL. (a) It is a ground for removal from
21 the board [~~executive committee~~] that a member:

22 (1) does not have at the time of taking office the
23 qualifications required by Section 487.021;

24 (2) does not maintain during service on the board
25 [~~executive committee~~] the qualifications required by Section
26 487.021;

27 (3) is ineligible for membership under Section

1 487.022;

2 (4) cannot, because of illness or disability,
3 discharge the member's duties for a substantial part of the member's
4 term; or

5 (5) is absent from more than half of the regularly
6 scheduled board [~~executive committee~~] meetings that the member is
7 eligible to attend during a calendar year without an excuse
8 approved by a majority vote of the board [~~executive committee~~].

9 (b) The validity of an action of the board [~~executive~~
10 ~~committee~~] is not affected by the fact that it is taken when a
11 ground for removal of a board [~~an executive committee~~] member
12 exists.

13 (c) If the executive director has knowledge that a potential
14 ground for removal exists, the executive director shall notify the
15 presiding officer of the board [~~executive committee~~] of the
16 potential ground. The presiding officer shall then notify the
17 appointing authority [~~governor~~] and the attorney general that a
18 potential ground for removal exists. If the potential ground for
19 removal involves the presiding officer, the executive director
20 shall notify the next highest ranking officer of the board
21 [~~executive committee~~], who shall then notify the appointing
22 authority [~~governor~~] and the attorney general that a potential
23 ground for removal exists.

24 Sec. 487.025. DIVISION OF RESPONSIBILITY. The board
25 [~~executive committee~~] shall develop and implement policies that
26 clearly separate the policy-making responsibilities of the board
27 [~~executive committee~~] and the management responsibilities of the

1 executive director and staff of the office.

2 Sec. 487.026. EXECUTIVE DIRECTOR. (a) The board
3 ~~[executive committee]~~ may hire an executive director to serve as
4 the chief executive officer of the office and to perform the
5 administrative duties of the office.

6 (b) The executive director serves at the will of the board
7 ~~[executive committee]~~.

8 (c) The executive director may hire staff within guidelines
9 established by the board ~~[executive committee]~~.

10 Sec. 487.027. PUBLIC HEARINGS. The board ~~[executive~~
11 ~~committee]~~ shall develop and implement policies that provide the
12 public with a reasonable opportunity to appear before the board
13 ~~[executive committee]~~ and to speak on any issue under the
14 jurisdiction of the office.

15 SECTION 6. Section 487.029, Government Code, is amended to
16 read as follows:

17 Sec. 487.029. STANDARDS OF CONDUCT. The executive director
18 or the executive director's designee shall provide to members of
19 the board ~~[executive committee]~~ and to agency employees, as often
20 as necessary, information regarding the requirements for office or
21 employment under this chapter, including information regarding a
22 person's responsibilities under applicable laws relating to
23 standards of conduct for state officers or employees.

24 SECTION 7. Section 487.051, Government Code, is amended to
25 read as follows:

26 Sec. 487.051. POWERS AND DUTIES. The office shall:

27 (1) assist rural communities in the key areas of

1 economic development, community development, rural health, and
2 natural resources [~~develop a rural policy for the state in~~
3 ~~consultation with local leaders representing all facets of rural~~
4 ~~community life, academic and industry experts, and state elected~~
5 ~~and appointed officials with interests in rural communities~~];

6 (2) serve as a clearinghouse for information and
7 resources on all state and federal programs affecting rural
8 communities [~~work with other state agencies and officials to~~
9 ~~improve the results and the cost-effectiveness of state programs~~
10 ~~affecting rural communities through coordination of efforts~~];

11 (3) in consultation with rural community leaders,
12 locally elected officials, state elected and appointed officials,
13 academic and industry experts, and the interagency work group
14 created under this chapter, identify and prioritize policy issues
15 and concerns affecting rural communities in the state [~~develop~~
16 ~~programs to improve the leadership capacity of rural community~~
17 ~~leaders~~];

18 (4) make recommendations to the legislature to address
19 the concerns affecting rural communities identified under
20 Subdivision (3);

21 (5) monitor developments that have a substantial
22 effect on rural Texas communities, especially actions of state
23 government, and compile an annual report describing and evaluating
24 the condition of rural communities;

25 (6) [~~45~~] administer the federal community
26 development block grant nonentitlement program;

27 (7) [~~46~~] administer programs supporting rural health

1 care as provided by this chapter;

2 (8) [~~(7)~~] perform research to determine the most
3 beneficial and cost-effective ways to improve the welfare of rural
4 communities;

5 (9) [~~(8)~~] ensure that the office qualifies as the
6 state's office of rural health for the purpose of receiving grants
7 from the Office of Rural Health Policy of the United States
8 Department of Health and Human Services under 42 U.S.C. Section
9 254r;

10 (10) [~~(9)~~] manage the state's Medicare rural hospital
11 flexibility program under 42 U.S.C. Section 1395i-4; [~~and~~]

12 (11) [~~(10)~~] seek state and federal money available for
13 economic development in rural areas for programs under this
14 chapter;

15 (12) require office employees who work at locations
16 other than the central office to be based in Department of
17 Agriculture offices; and

18 (13) in conjunction with the Department of
19 Agriculture, regularly cross-train office employees with employees
20 of the Department of Agriculture regarding the programs
21 administered and services provided by each agency to rural
22 communities.

23 SECTION 8. Section 487.052, Government Code, is amended to
24 read as follows:

25 Sec. 487.052. RULES. The board [~~executive committee~~] may
26 adopt rules as necessary to implement this chapter.

27 SECTION 9. Section 487.053(b), Government Code, is amended

1 to read as follows:

2 (b) All gifts, grants, and donations must be accepted in an
3 open meeting by a majority of the voting members of the board
4 [~~executive committee~~] and reported in the public record of the
5 meeting with the name of the donor and purpose of the gift, grant,
6 or donation.

7 SECTION 10. Section 487.054(b), Government Code, is amended
8 to read as follows:

9 (b) The board [~~executive committee~~] shall call the annual
10 meeting. The board [~~executive committee~~] shall set the time and
11 date of the meeting after consulting with the agency heads listed in
12 Subsection (a).

13 SECTION 11. Section 487.055, Government Code, is amended to
14 read as follows:

15 Sec. 487.055. ADVISORY COMMITTEES. The board [~~executive~~
16 ~~committee~~] may appoint advisory committees as necessary to assist
17 the board [~~executive committee~~] in performing its duties. An
18 advisory committee may be composed of private citizens and
19 representatives from state and local governmental entities. A
20 state or local governmental entity shall appoint a representative
21 to an advisory committee at the request of the board [~~executive~~
22 ~~committee~~]. Chapter 2110 does not apply to an advisory committee
23 created under this section.

24 SECTION 12. Section 487.057(b), Government Code, is amended
25 to read as follows:

26 (b) The office shall submit the rural health work plan to
27 the board [~~executive committee~~] for approval. The board [~~executive~~

1 ~~committee~~] shall approve the rural health work plan not later than
2 August 1 of each odd-numbered year.

3 SECTION 13. Sections 487.059(b), (c), (e), (f), and (g),
4 Government Code, are amended to read as follows:

5 (b) If a member of the board [~~executive committee~~] or a
6 [~~another~~] committee established under this chapter, including an
7 advisory committee, has a financial interest in an entity that
8 applies for a monetary award, the board or committee member shall,
9 before a vote on the monetary award, disclose the fact of the board
10 or committee member's financial interest. The board or committee
11 shall enter the disclosure into the minutes of the meeting at which
12 a vote on the monetary award is taken. The board or committee
13 member may not vote on or otherwise participate in a discussion or
14 any other activity that relates to awarding the monetary award. If
15 the board or committee member does not comply with this subsection,
16 the entity is not eligible for the monetary award.

17 (c) If the executive director or another office employee has
18 a financial interest in an entity that applies for a monetary award,
19 the executive director or employee:

20 (1) shall, as soon as possible, disclose to the board
21 [~~executive committee~~] the fact of the director's or employee's
22 financial interest;

23 (2) may not participate in staff evaluations regarding
24 the monetary award; and

25 (3) if the executive director or employee under office
26 procedures may [~~has a~~] vote, or make a recommendation concerning a
27 vote, on a matter that involves the monetary award:

1 (A) shall disclose the fact of the director's or
2 employee's financial interest before a vote on the monetary award,
3 which the board or committee shall enter into the minutes of the
4 meeting at which a vote on the monetary award is taken; and

5 (B) may not vote on or otherwise participate in a
6 discussion or any other activity that relates to awarding the
7 monetary award.

8 (e) Subsections (f) and (g) apply only to a member of the
9 board or a ~~[executive]~~ committee who is employed by:

10 (1) an entity that offers to enter into a contract with
11 the office; or

12 (2) an entity that is under common ownership or
13 governance with or otherwise affiliated with an entity that applies
14 for a monetary award or offers to enter into a contract with the
15 office.

16 (f) The board or ~~[executive]~~ committee member shall, before
17 a vote on the monetary award or contract, disclose the fact of the
18 member's employment by the entity. The board or ~~[executive]~~
19 committee shall enter the disclosure into the minutes of the
20 meeting at which a vote on the monetary award or contract is taken.
21 The board or ~~[executive]~~ committee member may not vote on or
22 otherwise participate in a discussion or any other activity that
23 relates to awarding the monetary award or contract.

24 (g) If the board or ~~[executive]~~ committee member does not
25 comply with Subsection (f), the entity is not eligible to be awarded
26 the monetary award or contract.

27 SECTION 14. Sections 487.103(a), (b), and (c), Government

1 Code, are amended to read as follows:

2 (a) The selection committee shall advise the board
3 ~~[executive committee]~~ on the progress of the program.

4 (b) The selection committee is composed of 12 members
5 appointed by the board ~~[executive committee]~~.

6 (c) The board ~~[executive committee]~~ shall consider
7 geographical representation in making appointments to the
8 selection committee.

9 SECTION 15. Sections 487.104(b) and (d), Government Code,
10 are amended to read as follows:

11 (b) The selection committee shall make selections based on
12 criteria approved by the board ~~[executive committee]~~ and adopted as
13 a rule of the office.

14 (d) The selection committee shall recommend to the board
15 ~~[executive committee]~~ guidelines to be used by rural communities in
16 the selection of students for nomination and sponsorship as
17 outstanding rural scholars.

18 SECTION 16. Section 487.107, Government Code, is amended to
19 read as follows:

20 Sec. 487.107. AWARDING OF LOANS. (a) The selection
21 committee shall recommend to the state review ~~[executive]~~ committee
22 guidelines for the awarding of forgivable loans to outstanding
23 rural scholars.

24 (b) The state review ~~[executive]~~ committee, acting on the
25 advice of the selection committee, shall award forgivable loans to
26 outstanding rural scholars based on the availability of money in
27 the fund.

1 (c) If in any year the fund is inadequate to provide loans to
2 all eligible applicants, the state review ~~[executive]~~ committee
3 shall award forgivable loans on a priority basis according to the
4 applicants' academic performance, test scores, and other criteria
5 of eligibility.

6 SECTION 17. Section 487.108(a), Government Code, is amended
7 to read as follows:

8 (a) On confirmation of an outstanding rural scholar's
9 admission to a postsecondary educational institution, or on receipt
10 of an enrollment report of the scholar at a postsecondary
11 educational institution, and a certification of the amount of
12 financial support needed, the selection committee annually shall
13 recommend to the state review ~~[executive]~~ committee that the state
14 review committee award a forgivable loan to the scholar in the
15 amount of 50 percent of the cost of the scholar's tuition, fees,
16 educational materials, and living expenses.

17 SECTION 18. Sections 487.109(b), (c), and (d), Government
18 Code, are amended to read as follows:

19 (b) The sponsoring community shall report to the board
20 ~~[executive committee]~~ the length of time the scholar practices as a
21 health care professional in the community.

22 (c) If the board ~~[executive committee]~~ finds that a
23 sponsoring community is not in need of the scholar's services and
24 that the community is willing to forgive repayment of the principal
25 balance and interest of the scholar's loan, the board ~~[executive~~
26 ~~committee]~~ by rule may provide for the principal balance and
27 interest of one year of the scholar's loan to be forgiven for each

1 year the scholar practices in another rural community in this
2 state.

3 (d) Any amount of loan principal or interest that is not
4 forgiven under this section shall be repaid to the office with
5 reasonable collection fees in a timely manner as provided by board
6 [~~executive committee~~] rule.

7 SECTION 19. Section 487.112, Government Code, is amended to
8 read as follows:

9 Sec. 487.112. ADOPTION AND DISTRIBUTION OF RULES. (a) The
10 board [~~executive committee~~] shall adopt reasonable rules to enforce
11 the requirements, conditions, and limitations under this
12 subchapter.

13 (b) The board [~~executive committee~~] shall set the rate of
14 interest charged on a forgivable loan under this subchapter.

15 (c) The board [~~executive committee~~] shall adopt rules
16 necessary to ensure compliance with the federal Civil Rights Act of
17 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
18 in admissions.

19 SECTION 20. Section 487.154, Government Code, is amended to
20 read as follows:

21 Sec. 487.154. LOANS. (a) The state review [~~executive~~]
22 committee may award forgivable educational loans to eligible
23 students under this subchapter.

24 (b) The state review [~~executive~~] committee may award
25 forgivable loans to eligible students based on the availability of
26 money in the fund.

27 (c) If in any year the fund is inadequate to provide loans to

1 all eligible students, the state review ~~[executive]~~ committee may
2 award forgivable loans on a priority basis according to the
3 students' academic performance, test scores, and other criteria of
4 eligibility.

5 SECTION 21. Section 487.155(a), Government Code, is amended
6 to read as follows:

7 (a) To be eligible to receive a loan under this subchapter,
8 a student must:

9 (1) be sponsored by an eligible community;

10 (2) at the time of the application for the loan, be
11 enrolled in high school or enrolled or accepted for enrollment in a
12 postsecondary educational institution in this state;

13 (3) meet academic requirements as established by the
14 board ~~[executive committee]~~;

15 (4) plan to complete a health care professional degree
16 or certificate program;

17 (5) plan to practice as a health care professional in a
18 qualified area of the state; and

19 (6) meet other requirements as established by the
20 board ~~[executive committee]~~.

21 SECTION 22. Section 487.156(c), Government Code, is amended
22 to read as follows:

23 (c) The board ~~[executive committee]~~ shall determine the
24 percentage of educational expenses communities are required to
25 provide under this section.

26 SECTION 23. Section 487.157(a), Government Code, is amended
27 to read as follows:

1 (a) On confirmation of an eligible student's admission to a
2 postsecondary educational institution, or on receipt of an
3 enrollment report of the student at a postsecondary educational
4 institution, and certification of the amount of financial support
5 needed, the state review [~~executive~~] committee may award a
6 forgivable loan to the student in the amount of not more than the
7 cost of the student's tuition, fees, educational materials, and
8 living expenses.

9 SECTION 24. Section 487.158(b), Government Code, is amended
10 to read as follows:

11 (b) The contract must provide that if the student does not
12 provide the required services to the community or provides those
13 services for less than the required time, the student is personally
14 liable to the state for:

15 (1) the total amount of assistance the student
16 receives from the office and the sponsoring community;

17 (2) interest on the total amount at a rate set by the
18 board [~~executive committee~~]; and

19 (3) the state's reasonable expenses incurred in
20 obtaining payment, including reasonable attorney's fees.

21 SECTION 25. Section 487.159(b), Government Code, is amended
22 to read as follows:

23 (b) If the board [~~executive committee~~] finds that a
24 sponsoring community is not in need of the student's services and
25 that the community is willing to forgive repayment of the principal
26 balance and interest of the student's loan, the board [~~executive~~
27 ~~committee~~] by rule may provide for the principal balance and

1 interest of the student's loan to be forgiven if the student
2 provides services in another qualified area in this state.

3 SECTION 26. Sections 487.161(b) and (c), Government Code,
4 are amended to read as follows:

5 (b) The sponsoring community shall report to the board
6 [~~executive committee~~] the length of time the student provides
7 health care services in the community in accordance with the
8 guidelines established by the board [~~executive committee~~].

9 (c) A postsecondary educational institution shall provide
10 to the board [~~executive committee~~] a copy of the academic
11 transcript of each student for whom the institution has received a
12 release that complies with state and federal open records laws and
13 that authorizes the provision of the transcript.

14 SECTION 27. Section 487.163, Government Code, is amended to
15 read as follows:

16 Sec. 487.163. ADOPTION OF RULES. (a) The board [~~executive~~
17 ~~committee~~] shall adopt reasonable rules to enforce the
18 requirements, conditions, and limitations of this subchapter.

19 (b) The board [~~executive committee~~] shall set the rate of
20 interest charged on a forgivable loan under this subchapter.

21 (c) The board [~~executive committee~~] shall adopt rules
22 necessary to ensure compliance with the federal Civil Rights Act of
23 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
24 in admissions.

25 SECTION 28. Sections 487.202, 487.203, and 487.204,
26 Government Code, are amended to read as follows:

27 Sec. 487.202. PROGRAM. (a) The board [~~executive~~

1 ~~committee~~] shall establish and administer a program under this
2 subchapter to increase the number of physicians providing primary
3 care in medically underserved communities.

4 (b) A medically underserved community may sponsor a
5 physician who has completed a primary care residency program and
6 has agreed to provide primary care in the community by contributing
7 start-up money for the physician and having that contribution
8 matched wholly or partly by state money appropriated to the office
9 ~~[executive committee]~~ for that purpose.

10 (c) A participating medically underserved community may
11 provide start-up money to an eligible physician over a two-year
12 period.

13 (d) The office ~~[executive committee]~~ may not pay more than
14 \$25,000 to a community in a fiscal year unless the state review
15 ~~[executive]~~ committee makes a specific finding of need by the
16 community.

17 (e) The board ~~[executive committee]~~ shall establish
18 priorities so that the neediest communities eligible for assistance
19 under this subchapter are assured the receipt of a grant.

20 Sec. 487.203. ELIGIBILITY. To be eligible to receive money
21 from the office ~~[executive committee]~~, a medically underserved
22 community must:

- 23 (1) apply for the money; and
24 (2) provide evidence satisfactory to the board
25 ~~[executive committee]~~ that it has entered into an agreement with a
26 physician for the physician to provide primary care in the
27 community for at least two years.

1 Sec. 487.204. RULES. The board [~~executive committee~~] shall
2 adopt rules necessary for the administration of this subchapter,
3 including rules addressing:

4 (1) eligibility criteria for a medically underserved
5 community;

6 (2) eligibility criteria for a physician;

7 (3) minimum and maximum community contributions to the
8 start-up money for a physician to be matched with state money;

9 (4) conditions under which state money must be repaid
10 by a community or physician;

11 (5) procedures for disbursement of money by the office
12 [~~executive committee~~];

13 (6) the form and manner in which a community must make
14 its contribution to the start-up money; and

15 (7) the contents of an agreement to be entered into by
16 the parties, which must include at least:

17 (A) a credit check for an eligible physician; and

18 (B) community retention of interest in any
19 property, equipment, or durable goods for seven years.

20 SECTION 29. Section 487.252, Government Code, is amended to
21 read as follows:

22 Sec. 487.252. TEXAS HEALTH SERVICE CORPS PROGRAM. (a) The
23 board [~~executive committee~~] shall establish a program in the office
24 to assist communities in recruiting and retaining physicians to
25 practice in medically underserved areas.

26 (b) The board [~~executive committee~~] by rule shall
27 establish:

- 1 (1) eligibility criteria for applicants;
- 2 (2) stipend application procedures;
- 3 (3) guidelines relating to stipend amounts;
- 4 (4) procedures for evaluating stipend applications;
- 5 and
- 6 (5) a system of priorities relating to the:
 - 7 (A) geographic areas covered;
 - 8 (B) medical specialties eligible to receive
 - 9 funding under the program; and
 - 10 (C) level of stipend support.

11 SECTION 30. Section 487.253(a), Government Code, is amended
12 to read as follows:

13 (a) The board [~~executive committee~~] shall adopt rules
14 necessary to administer this subchapter, and the office shall
15 administer the program in accordance with those rules.

16 SECTION 31. Section 487.351, Government Code, is amended by
17 adding Subsection (c) to read as follows:

18 (c) The office shall give priority to eligible activities in
19 the areas of economic development, community development, rural
20 health, and natural resources in awarding funding for community
21 development block grant programs.

22 SECTION 32. Subchapter I, Chapter 487, Government Code, is
23 amended by adding Section 487.3515 to read as follows:

24 Sec. 487.3515. EVALUATION OF COMMUNITY DEVELOPMENT BLOCK
25 GRANT PROGRAM. (a) The office, in consultation with the Department
26 of Agriculture, shall review and evaluate the administration of the
27 state's allocation of federal funds under the community development

1 block grant nonentitlement program and, based on the results of the
2 evaluation, streamline administration of the program and program
3 requirements. The office shall, at a minimum, evaluate:

4 (1) combining program fund categories, within
5 allowable limits provided by state statute, the General
6 Appropriations Act, and federal law and regulations;

7 (2) simplifying the grant application and scoring
8 process; and

9 (3) regularly reviewing and closing out aged
10 contracts.

11 (b) The office shall implement program changes resulting
12 from the evaluation that do not require statutory changes as soon as
13 possible, but not later than the date the office publishes the next
14 community development block grant nonentitlement program action
15 plan.

16 (c) The office shall include the findings from the
17 evaluation, program changes resulting from the evaluation, and any
18 statutory changes needed to make additional changes in the agency's
19 biennial report to the 81st Legislature.

20 (d) This section expires September 1, 2009.

21 SECTION 33. Section 487.353, Government Code, is
22 transferred to Subchapter C, Chapter 487, Government Code,
23 redesignated as Section 487.062, Government Code, and amended to
24 read as follows:

25 Sec. 487.062 [~~487.353~~]. STATE [~~COMMUNITY DEVELOPMENT~~]
26 REVIEW COMMITTEE. (a) The state [~~community development~~] review
27 committee is composed of 12 members appointed by the governor.

1 (b) A committee member must be:

2 (1) a member of the governing body of a county or
3 municipality eligible for funding under the office's programs
4 ~~[community development block grant program]~~; or

5 (2) a county or municipal employee who is a supervisor
6 and whose regular duties include involvement in ~~[community~~
7 ~~development]~~ activities funded by the office.

8 (c) The ratio of county officials serving as committee
9 members to all committee members may not exceed the ratio of all
10 counties eligible for funding under programs administered by the
11 office ~~[the community development block grant program]~~ to all
12 eligible applicants.

13 (d) The governor shall designate the presiding officer of
14 the committee, who serves at the governor's pleasure.

15 (e) Committee members serve two-year terms expiring
16 February 1 of each odd-numbered year.

17 (f) A committee member serves without compensation for
18 service on the committee, but is entitled to reimbursement for
19 reasonable and necessary expenses incurred in performing the
20 member's duties.

21 (g) Service on the committee by an officer or employee of a
22 county or municipality is an additional duty of the individual's
23 office or employment and is not dual office holding.

24 (h) The committee shall meet at least twice annually at the
25 executive director's call.

26 (i) The committee shall:

27 (1) consult with and advise the executive director on

1 the administration and enforcement of office programs [~~the~~
2 ~~community development block grant program~~]; and

3 (2) in consultation with the executive director and
4 office staff, review and approve grant and loan [~~funding~~]
5 applications and associated funding awards for all office programs
6 ~~[of eligible counties and municipalities and advise and assist the~~
7 ~~executive director regarding the allocation of program funds to~~
8 ~~those applicants]~~.

9 (j) The committee may annually recommend to the executive
10 director a formula for allocating funds to each geographic state
11 planning region established by the governor under Chapter 391,
12 Local Government Code. The formula must give preference to regions
13 according to the regions' needs.

14 (k) An applicant for a grant, loan, or award under an office
15 program may appeal a decision of the committee by filing a complaint
16 with the board. The board shall hold a hearing on a complaint filed
17 with the board under this subsection and render a decision.

18 (l) The committee is a governmental body for purposes of the
19 open meetings law, Chapter 551.

20 SECTION 34. Section 487.401, Government Code, is amended to
21 read as follows:

22 Sec. 487.401. ADMINISTRATION. (a) The board [~~executive~~
23 ~~committee~~] shall adopt rules that establish a procedure for
24 designating a hospital as a rural hospital in order for the hospital
25 to qualify for federal funds under 42 C.F.R. Part 412.

26 (b) At the hospital's request, the office shall designate
27 the hospital as a rural hospital if the hospital meets the

1 requirements for a rural hospital under the board's [~~executive~~
2 ~~committee's~~] rules.

3 SECTION 35. Section 487.451(1), Government Code, is amended
4 to read as follows:

5 (1) "Health care professional" means:

- 6 (A) an advanced nurse practitioner;
- 7 (B) a dentist;
- 8 (C) a dental hygienist;
- 9 (D) a laboratory technician;
- 10 (E) a licensed vocational nurse;
- 11 (F) a licensed professional counselor;
- 12 (G) a medical radiological technologist;
- 13 (H) an occupational therapist;
- 14 (I) a pharmacist;
- 15 (J) a physical therapist;
- 16 (K) a physician;
- 17 (L) a physician assistant;
- 18 (M) a psychologist;
- 19 (N) a registered nurse;
- 20 (O) a social worker;
- 21 (P) a speech-language pathologist;
- 22 (Q) a veterinarian;
- 23 (R) a chiropractor; and
- 24 (S) another appropriate health care professional
25 identified by the board [~~executive committee~~].

26 SECTION 36. Section 487.452(a), Government Code, is amended
27 to read as follows:

1 (a) The board [~~executive committee~~], in collaboration with
2 Area Health Education Center Programs, shall establish a community
3 healthcare awareness and mentoring program for students to:

4 (1) identify high school students in rural and
5 underserved urban areas who are interested in serving those areas
6 as health care professionals;

7 (2) identify health care professionals in rural and
8 underserved urban areas to act as positive role models, mentors, or
9 reference resources for the interested high school students;

10 (3) introduce interested high school students to the
11 spectrum of professional health care careers through activities
12 such as health care camps and shadowing of health care
13 professionals;

14 (4) encourage a continued interest in service as
15 health care professionals in rural and underserved urban areas by
16 providing mentors and community resources for students
17 participating in training or educational programs to become health
18 care professionals; and

19 (5) provide continuing community-based support for
20 students during the period the students are attending training or
21 educational programs to become health care professionals,
22 including summer job opportunities and opportunities to mentor high
23 school students in the community.

24 SECTION 37. Section 487.454, Government Code, is amended to
25 read as follows:

26 Sec. 487.454. GRANTS; ELIGIBILITY. (a) Subject to
27 available funds, the board [~~executive committee~~] shall develop and

1 implement, as a component of the program, a grant program to support
2 employment opportunities in rural and underserved urban areas in
3 this state for students participating in training or educational
4 programs to become health care professionals.

5 (b) In awarding grants under the program, the state review
6 ~~[executive]~~ committee shall give first priority to grants to
7 training or educational programs that provide internships to
8 students.

9 (c) To be eligible to receive a grant under the grant
10 program, a person must:

11 (1) apply for the grant on a form adopted by the board
12 ~~[executive committee]~~;

13 (2) be enrolled or intend to be enrolled in a training
14 or educational program to become a health care professional;

15 (3) commit to practice or work, after licensure as a
16 health care professional, for at least one year as a health care
17 professional in a rural or underserved urban area in this state; and

18 (4) comply fully with any practice or requirements
19 associated with any scholarship, loan, or other similar benefit
20 received by the student.

21 (d) As a condition of receiving a grant under the program
22 the student must agree to repay the amount of the grant, plus a
23 penalty in an amount established by rule of the board ~~[executive~~
24 ~~committee]~~ not to exceed two times the amount of the grant, if the
25 student becomes licensed as a health care professional and fails to
26 practice or work for at least one year as a health care professional
27 in a rural or underserved urban area in this state.

1 SECTION 38. Section 487.553, Government Code, is amended to
2 read as follows:

3 Sec. 487.553. LOAN REIMBURSEMENT PROGRAM. The board
4 [~~executive committee~~] shall establish a program in the office to
5 assist communities in recruiting health professionals to practice
6 in medically underserved communities by providing loan
7 reimbursement for health professionals who serve in those
8 communities.

9 SECTION 39. Section 487.554(a), Government Code, is amended
10 to read as follows:

11 (a) The board [~~executive committee~~] shall establish a
12 program in the office to assist communities in recruiting health
13 professionals to practice in medically underserved communities by
14 providing a stipend to health professionals who agree to serve in
15 those communities.

16 SECTION 40. Section 487.555(e), Government Code, is amended
17 to read as follows:

18 (e) A contract under this section must provide that a health
19 professional who does not provide the required services to the
20 community or provides those services for less than the required
21 time is personally liable to the state for:

22 (1) the total amount of assistance the health
23 professional received from the office and the medically underserved
24 community;

25 (2) interest on the amount under Subdivision (1) at a
26 rate set by the board [~~executive committee~~];

27 (3) the state's reasonable expenses incurred in

1 obtaining payment, including reasonable attorney's fees; and

2 (4) a penalty as established by the board [~~executive~~
3 ~~committee~~] by rule to help ensure compliance with the contract.

4 SECTION 41. Section 487.556, Government Code, is amended to
5 read as follows:

6 Sec. 487.556. POWERS AND DUTIES OF OFFICE. (a) The board
7 [~~executive committee~~] shall adopt rules necessary for the
8 administration of this subchapter, including guidelines for:

9 (1) developing contracts under which loan
10 reimbursement or stipend recipients provide services to qualifying
11 communities;

12 (2) identifying the duties of the state, state agency,
13 loan reimbursement or stipend recipient, and medically underserved
14 community under the loan reimbursement or stipend contract;

15 (3) determining a rate of interest to be charged under
16 Section 487.555(e)(2);

17 (4) ensuring that a loan reimbursement or stipend
18 recipient provides access to health services to participants in
19 government-funded health benefits programs in qualifying
20 communities;

21 (5) encouraging the use of telecommunications or
22 telemedicine, as appropriate;

23 (6) prioritizing the provision of loan reimbursements
24 and stipends to health professionals who are not eligible for any
25 other state loan forgiveness, loan repayment, or stipend program;

26 (7) prioritizing the provision of loan reimbursements
27 and stipends to health professionals who are graduates of health

1 professional degree programs in this state;

2 (8) encouraging a medically underserved community
3 served by a loan reimbursement or stipend recipient to contribute
4 to the cost of the loan reimbursement or stipend when making a
5 contribution is feasible; and

6 (9) requiring a medically underserved community
7 served by a loan reimbursement or stipend recipient to assist the
8 office in contracting with the loan reimbursement or stipend
9 recipient who will serve that community.

10 (b) The board [~~executive committee~~] by rule may designate
11 areas of the state as medically underserved communities.

12 (c) The board [~~executive committee~~] shall make reasonable
13 efforts to contract with health professionals from a variety of
14 different health professions.

15 SECTION 42. Section 487.608(a), Government Code, is amended
16 to read as follows:

17 (a) The rural physician relief advisory committee is
18 composed of the following members appointed by the board [~~executive~~
19 ~~committee~~]:

20 (1) a physician who practices in the area of general
21 family medicine in a rural county;

22 (2) a physician who practices in the area of general
23 internal medicine in a rural county;

24 (3) a physician who practices in the area of general
25 pediatrics in a rural county;

26 (4) a representative from an accredited Texas medical
27 school;

1 (5) a program director from an accredited primary care
2 residency program;

3 (6) a representative from the Texas Higher Education
4 Coordinating Board; and

5 (7) a representative from the Texas [~~State Board of~~
6 Medical Board ~~Examiners~~].

7 SECTION 43. Section 110.003(a), Health and Safety Code, is
8 amended to read as follows:

9 (a) The Rural Foundation is governed by a board of five
10 directors appointed by the board [~~executive committee~~] of the
11 Office of Rural Community Affairs from individuals recommended by
12 the executive director of the Office of Rural Community Affairs.

13 SECTION 44. Section 110.010, Health and Safety Code, is
14 amended to read as follows:

15 Sec. 110.010. MEMORANDUM OF UNDERSTANDING. The Rural
16 Foundation and the Office of Rural Community Affairs shall enter
17 into a memorandum of understanding that:

18 (1) requires the board of directors and staff of the
19 foundation to report to the executive director and board [~~executive~~
20 ~~committee~~] of the Office of Rural Community Affairs;

21 (2) allows the Office of Rural Community Affairs to
22 provide staff functions to the foundation;

23 (3) allows the Office of Rural Community Affairs to
24 expend funds on the foundation; and

25 (4) outlines the financial contributions to be made to
26 the foundation from funds obtained from grants and other sources.

27 SECTION 45. (a) The nine members of the executive committee

1 of the Office of Rural Community Affairs who are serving
2 immediately before September 1, 2007, continue to serve as members
3 of the governing board of the office on and after that date
4 regardless of whether those members meet the membership
5 requirements prescribed by Subchapter B, Chapter 487, Government
6 Code, as amended by this Act. However, the positions of those nine
7 members are abolished on the date on which a majority of the 11
8 board membership positions that are created under Section 487.021,
9 Government Code, as amended by this Act, are filled and the
10 appointees qualify for office.

11 (b) The governor, lieutenant governor, and speaker of the
12 house shall make the 10 appointments to the board under Section
13 487.021, Government Code, as amended by this Act, as soon as
14 possible on or after September 1, 2007. In making the initial
15 appointments, the governor shall designate two members for terms
16 expiring February 1, 2009, one member for a term expiring February
17 1, 2011, and one member for a term expiring February 1, 2013. In
18 making the initial appointments, the lieutenant governor and
19 speaker of the house shall each designate one nonlegislative member
20 for a term expiring February 1, 2011, and one nonlegislative member
21 for a term expiring February 1, 2013. Any person who served as a
22 member of the executive committee before September 1, 2007, may be
23 appointed to the board.

24 SECTION 46. This Act takes effect immediately if it
25 receives a vote of two-thirds of all the members elected to each
26 house, as provided by Section 39, Article III, Texas Constitution.
27 If this Act does not receive the vote necessary for immediate

1 effect, this Act takes effect September 1, 2007.

HOUSE COMMITTEE REPORT

1st Printing

07 APR 31 AM 1:41
HOUSE OF REPRESENTATIVES

By: Kolkhorst, Flynn, Truitt, McClendon,
et al.

H.B. No. 2542

Substitute the following for H.B. No. 2542:

By: Anderson

C.S.H.B. No. 2542

A BILL TO BE ENTITLED

AN ACT

relating to the continuation and functions of the Office of Rural
Community Affairs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 487.001(1), Government Code, is amended
to read as follows:

(1) "Board" [~~"Executive committee"~~] means the board
[~~executive committee~~] of the Office of Rural Community Affairs.

SECTION 2. Section 487.002, Government Code, is amended to
read as follows:

Sec. 487.002. SUNSET PROVISION. The Office of Rural
Community Affairs is subject to Chapter 325 (Texas Sunset Act).
Unless continued in existence as provided by that chapter, the
office is abolished and this chapter expires September 1, 2015
[2007].

SECTION 3. Section 487.021, Government Code, is amended to
read as follows:

Sec. 487.021. BOARD [~~EXECUTIVE COMMITTEE~~]. (a) The board
[~~executive committee~~] is the governing body of the office.

(b) The board [~~executive committee~~] is composed of the
following 11 [~~nine~~] members:

(1) four [~~three~~] members who represent different
geographic regions of the state appointed by the governor,
including:

1 (A) two locally elected rural city or county
2 officials or city or county employees involved with rural
3 development; and

4 (B) two public members each of whom resides in a
5 rural city or county;

6 (2) three members appointed by the lieutenant
7 governor, including:

8 (A) one senator who resides in a rural city or
9 county; and

10 (B) two public members each of whom resides in a
11 rural city or county and is interested in rural issues; [and]

12 (3) three members appointed by the speaker of the
13 house of representatives, including:

14 (A) one member of the house of representatives
15 who resides in a rural city or county; and

16 (B) two public members each of whom resides in a
17 rural city or county and is interested in rural issues; and

18 (4) the commissioner of agriculture or the
19 commissioner's designee.

20 (b-1) The two board members who are members of the
21 legislature are nonvoting members.

22 (c) In this section, "rural city or county" means a rural
23 city or county as defined by the federal community development
24 block grant nonentitlement program. [The governor, the lieutenant
25 governor, and the speaker of the house of representatives shall
26 each appoint at least two members who possess a strong
27 understanding of and commitment to rural interests based on the

1 ~~individual's personal history, including residency, occupation,~~
2 ~~and business or civic activities.]~~

3 (d) Appointments to the board ~~[executive committee]~~ shall
4 be made without regard to the race, color, disability, sex,
5 religion, age, or national origin of the appointees.

6 (e) The members of the board who are not serving as an
7 additional duty of an office in state government ~~[executive~~
8 ~~committee]~~ serve for staggered six-year terms, with the terms of
9 two or three members expiring February 1 of each odd-numbered year.
10 A member of the legislature serves at the will of the appointing
11 authority.

12 (f) Board ~~[Executive committee]~~ members receive no
13 compensation but are entitled to reimbursement of actual and
14 necessary expenses incurred in the performance of their duties.

15 (g) The governor shall designate a member ~~[The members]~~ of
16 the board as the ~~[executive committee annually shall elect a]~~
17 presiding officer ~~[from among the members]~~ of the board to serve in
18 that capacity at the will of the governor ~~[executive committee].~~

19 (h) Service on the board by a member of the legislature, the
20 commissioner of agriculture, or an officer of a county or
21 municipality is an additional duty of the individual's office.

22 SECTION 4. Sections 487.022(b) and (c), Government Code,
23 are amended to read as follows:

24 (b) A person may not be a member of the board ~~[executive~~
25 ~~committee]~~ and may not be an office employee employed in a "bona
26 fide executive, administrative, or professional capacity," as that
27 phrase is used for purposes of establishing an exemption to the

overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.) and its subsequent amendments, if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in the field of rural affairs; or

(2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the field of rural affairs.

(c) A person may not be a member of the board ~~[executive committee]~~ or act as the general counsel to the board ~~[executive committee]~~ or the office if the person is required to register as a lobbyist under Chapter 305 because of the person's activities for compensation on behalf of a profession related to the operation of the office.

SECTION 5. Sections 487.023 through 487.027, Government Code, are amended to read as follows:

Sec. 487.023. TRAINING FOR MEMBERS OF BOARD ~~[EXECUTIVE COMMITTEE]~~. (a) A person who is appointed to and qualifies for office as a member of the board ~~[executive committee]~~ may not vote, deliberate, or be counted as a member in attendance at a meeting of the board ~~[executive committee]~~ until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

(1) the legislation that created the office ~~[and the executive committee]~~;

(2) the programs, ~~[operated by the office,~~

1 ~~[(3) the role and] functions, [of the office,~~
2 ~~[(4) the] rules, [of the office, with an emphasis on~~
3 ~~any rules that relate to disciplinary] and [investigatory~~
4 ~~authority,~~

5 ~~[(5) the current] budget of [for] the office;~~
6 (3) ~~[(6)]~~ the results of the most recent formal audit
7 of the office;

8 (4) ~~[(7)]~~ the requirements of laws relating to~~+~~
9 ~~[(A) the] open meetings [law], [Chapter 551,~~
10 ~~[(B) the] public information [law], [Chapter~~
11 ~~552,~~

12 ~~[(C) the] administrative procedure [law],~~
13 ~~[Chapter 2001,~~ and conflicts of interest

14 ~~[(D) other laws relating to public officials,~~
15 ~~including conflict-of-interest laws]; and~~

16 (5) ~~[(8)]~~ any applicable ethics policies adopted by
17 the office ~~[executive committee]~~ or the Texas Ethics Commission.

18 (c) A person appointed to the board ~~[executive committee]~~ is
19 entitled to reimbursement, as provided by ~~[general law and]~~ the
20 General Appropriations Act, for the travel expenses incurred in
21 attending the training program regardless of whether the attendance
22 at the program occurs before or after the person qualifies for
23 office.

24 Sec. 487.024. REMOVAL. (a) It is a ground for removal from
25 the board ~~[executive committee]~~ that a member:

26 (1) does not have at the time of taking office the
27 qualifications required by Section 487.021;

1 (2) does not maintain during service on the board
2 ~~[executive committee]~~ the qualifications required by Section
3 487.021;

4 (3) is ineligible for membership under Section
5 487.022;

6 (4) cannot, because of illness or disability,
7 discharge the member's duties for a substantial part of the member's
8 term; or

9 (5) is absent from more than half of the regularly
10 scheduled board ~~[executive committee]~~ meetings that the member is
11 eligible to attend during a calendar year without an excuse
12 approved by a majority vote of the board ~~[executive committee]~~.

13 (b) The validity of an action of the board ~~[executive~~
14 ~~committee]~~ is not affected by the fact that it is taken when a
15 ground for removal of a board ~~[an executive committee]~~ member
16 exists.

17 (c) If the executive director has knowledge that a potential
18 ground for removal exists, the executive director shall notify the
19 presiding officer of the board ~~[executive committee]~~ of the
20 potential ground. The presiding officer shall then notify the
21 appointing authority ~~[governor]~~ and the attorney general that a
22 potential ground for removal exists. If the potential ground for
23 removal involves the presiding officer, the executive director
24 shall notify the next highest ranking officer of the board
25 ~~[executive committee]~~, who shall then notify the appointing
26 authority ~~[governor]~~ and the attorney general that a potential
27 ground for removal exists.

1 Sec. 487.025. DIVISION OF RESPONSIBILITY. The board
2 ~~[executive committee]~~ shall develop and implement policies that
3 clearly separate the policy-making responsibilities of the board
4 ~~[executive committee]~~ and the management responsibilities of the
5 executive director and staff of the office.

6 Sec. 487.026. EXECUTIVE DIRECTOR. (a) The board
7 ~~[executive committee]~~ may hire an executive director to serve as
8 the chief executive officer of the office and to perform the
9 administrative duties of the office.

10 (b) The executive director serves at the will of the board
11 ~~[executive committee]~~.

12 (c) The executive director may hire staff within guidelines
13 established by the board ~~[executive committee]~~.

14 Sec. 487.027. PUBLIC HEARINGS. The board ~~[executive~~
15 ~~committee]~~ shall develop and implement policies that provide the
16 public with a reasonable opportunity to appear before the board
17 ~~[executive committee]~~ and to speak on any issue under the
18 jurisdiction of the office.

19 SECTION 6. Section 487.029, Government Code, is amended to
20 read as follows:

21 Sec. 487.029. STANDARDS OF CONDUCT. The executive director
22 or the executive director's designee shall provide to members of
23 the board ~~[executive committee]~~ and to agency employees, as often
24 as necessary, information regarding the requirements for office or
25 employment under this chapter, including information regarding a
26 person's responsibilities under applicable laws relating to
27 standards of conduct for state officers or employees.

SECTION 7. Section 487.030, Government Code, is amended to read as follows:

Sec. 487.030. COMPLAINTS. (a) The office shall maintain a system to promptly and efficiently act on complaints ~~[file on each written complaint]~~ filed with the office. The office shall maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition ~~[The file must include:~~

~~[(1) the name of the person who filed the complaint,~~
~~[(2) the date the complaint is received by the office,~~
~~[(3) the subject matter of the complaint,~~
~~[(4) the name of each person contacted in relation to the complaint,~~
~~[(5) a summary of the results of the review or investigation of the complaint, and~~
~~[(6) an explanation of the reason the file was closed, if the office closed the file without taking action other than to investigate the complaint].~~

(b) The office shall make information available describing its ~~[provide to the person filing the complaint and to each person who is a subject of the complaint a copy of the office's policies and]~~ procedures for ~~[relating to]~~ complaint investigation and resolution.

(c) The office~~[, at least quarterly until final disposition of the complaint,~~] shall periodically notify the complaint parties ~~[person filing the complaint and each person who is a subject of the~~

1 ~~complaint]~~ of the status of the complaint until final disposition
2 ~~[investigation unless the notice would jeopardize an undercover~~
3 ~~investigation]~~.

4 SECTION 8. Subchapter B, Chapter 487, Government Code, is
5 amended by adding Sections 487.031 and 487.032 to read as follows:

6 Sec. 487.031. USE OF TECHNOLOGY. The board shall implement
7 a policy requiring the office to use appropriate technological
8 solutions to improve the office's ability to perform its functions.
9 The policy must ensure that the public is able to interact with the
10 office on the Internet.

11 Sec. 487.032. NEGOTIATED RULEMAKING AND ALTERNATIVE
12 DISPUTE RESOLUTION PROCEDURES. (a) The board shall develop and
13 implement a policy to encourage the use of:

14 (1) negotiated rulemaking procedures under Chapter
15 2008 for the adoption of office rules; and

16 (2) appropriate alternative dispute resolution
17 procedures under Chapter 2009 to assist in the resolution of
18 internal and external disputes under the office's jurisdiction.

19 (b) The office's procedures relating to alternative dispute
20 resolution must conform, to the extent possible, to any model
21 guidelines issued by the State Office of Administrative Hearings
22 for the use of alternative dispute resolution by state agencies.

23 (c) The board shall designate a trained person to:

24 (1) coordinate the implementation of the policy
25 adopted under Subsection (a);

26 (2) serve as a resource for any training needed to
27 implement the procedures for negotiated rulemaking or alternative

1 dispute resolution; and

2 (3) collect data concerning the effectiveness of those
3 procedures, as implemented by the office.

4 SECTION 9. Section 487.051, Government Code, is amended to
5 read as follows:

6 Sec. 487.051. POWERS AND DUTIES. (a) The office shall:

7 (1) assist rural communities in the key areas of
8 economic development, community development, rural health, and
9 rural housing [~~develop a rural policy for the state in consultation~~
10 ~~with local leaders representing all facets of rural community life,~~
11 ~~academic and industry experts, and state elected and appointed~~
12 ~~officials with interests in rural communities~~];

13 (2) serve as a clearinghouse for information and
14 resources on all state and federal programs affecting rural
15 communities [~~work with other state agencies and officials to~~
16 ~~improve the results and the cost-effectiveness of state programs~~
17 ~~affecting rural communities through coordination of efforts~~];

18 (3) in consultation with rural community leaders,
19 locally elected officials, state elected and appointed officials,
20 academic and industry experts, and the interagency work group
21 created under this chapter, identify and prioritize policy issues
22 and concerns affecting rural communities in the state [~~develop~~
23 ~~programs to improve the leadership capacity of rural community~~
24 ~~leaders~~];

25 (4) make recommendations to the legislature to address
26 the concerns affecting rural communities identified under
27 Subdivision (3);

1 (5) monitor developments that have a substantial
2 effect on rural Texas communities, especially actions of state
3 government, and compile an annual report describing and evaluating
4 the condition of rural communities;

5 (6) [~~45~~] administer the federal community
6 development block grant nonentitlement program;

7 (7) [~~46~~] administer programs supporting rural health
8 care as provided by this chapter;

9 (8) [~~47~~] perform research to determine the most
10 beneficial and cost-effective ways to improve the welfare of rural
11 communities;

12 (9) [~~48~~] ensure that the office qualifies as the
13 state's office of rural health for the purpose of receiving grants
14 from the Office of Rural Health Policy of the United States
15 Department of Health and Human Services under 42 U.S.C. Section
16 254r;

17 (10) [~~49~~] manage the state's Medicare rural hospital
18 flexibility program under 42 U.S.C. Section 1395i-4; [~~and~~]

19 (11) [~~410~~] seek state and federal money available for
20 economic development in rural areas for programs under this
21 chapter; and

22 (12) in conjunction with the Department of
23 Agriculture, regularly cross-train office employees with employees
24 of the Department of Agriculture regarding the programs
25 administered and services provided by each agency to rural
26 communities.

27 (b) The office may require office employees who work at

1 locations other than the central office to be based in Department of
2 Agriculture offices.

3 SECTION 10. Section 487.052, Government Code, is amended to
4 read as follows:

5 Sec. 487.052. RULES. The board [~~executive committee~~] may
6 adopt rules as necessary to implement this chapter.

7 SECTION 11. Section 487.053(b), Government Code, is amended
8 to read as follows:

9 (b) All gifts, grants, and donations must be accepted in an
10 open meeting by a majority of the voting members of the board
11 [~~executive committee~~] and reported in the public record of the
12 meeting with the name of the donor and purpose of the gift, grant,
13 or donation.

14 SECTION 12. Section 487.054(b), Government Code, is amended
15 to read as follows:

16 (b) The board [~~executive committee~~] shall call the annual
17 meeting. The board [~~executive committee~~] shall set the time and
18 date of the meeting after consulting with the agency heads listed in
19 Subsection (a).

20 SECTION 13. Section 487.055, Government Code, is amended to
21 read as follows:

22 Sec. 487.055. ADVISORY COMMITTEES. The board [~~executive~~
23 ~~committee~~] may appoint advisory committees as necessary to assist
24 the board [~~executive committee~~] in performing its duties. An
25 advisory committee may be composed of private citizens and
26 representatives from state and local governmental entities. A
27 state or local governmental entity shall appoint a representative

1 to an advisory committee at the request of the board [~~executive~~
2 ~~committee~~]. Chapter 2110 does not apply to an advisory committee
3 created under this section.

4 SECTION 14. Section 487.056, Government Code, is amended by
5 adding Subsection (c) to read as follows:

6 (c) The office shall obtain information on the availability
7 of housing in rural communities throughout the state for all income
8 levels. The office shall include the information, and the office's
9 assessment of the information, in the office's report to the
10 legislature.

11 SECTION 15. Section 487.057(b), Government Code, is amended
12 to read as follows:

13 (b) The office shall submit the rural health work plan to
14 the board [~~executive committee~~] for approval. The board [~~executive~~
15 ~~committee~~] shall approve the rural health work plan not later than
16 August 1 of each odd-numbered year.

17 SECTION 16. Sections 487.059(b), (c), (e), (f), and (g),
18 Government Code, are amended to read as follows:

19 (b) If a member of the board [~~executive committee~~] or a
20 [~~another~~] committee established under this chapter, including an
21 advisory committee, has a financial interest in an entity that
22 applies for a monetary award, the board or committee member shall,
23 before a vote on the monetary award, disclose the fact of the board
24 or committee member's financial interest. The board or committee
25 shall enter the disclosure into the minutes of the meeting at which
26 a vote on the monetary award is taken. The board or committee
27 member may not vote on or otherwise participate in a discussion or

1 any other activity that relates to awarding the monetary award. If
2 the board or committee member does not comply with this subsection,
3 the entity is not eligible for the monetary award.

4 (c) If the executive director or another office employee has
5 a financial interest in an entity that applies for a monetary award,
6 the executive director or employee:

7 (1) shall, as soon as possible, disclose to the board
8 [~~executive committee~~] the fact of the director's or employee's
9 financial interest;

10 (2) may not participate in staff evaluations regarding
11 the monetary award; and

12 (3) if the executive director or employee under office
13 procedures may [~~has a~~] vote, or make a recommendation concerning a
14 vote, on a matter that involves the monetary award:

15 (A) shall disclose the fact of the director's or
16 employee's financial interest before a vote on the monetary award,
17 which the board or committee shall enter into the minutes of the
18 meeting at which a vote on the monetary award is taken; and

19 (B) may not vote on or otherwise participate in a
20 discussion or any other activity that relates to awarding the
21 monetary award.

22 (e) Subsections (f) and (g) apply only to a member of the
23 board or a [~~executive~~] committee who is employed by:

24 (1) an entity that offers to enter into a contract with
25 the office; or

26 (2) an entity that is under common ownership or
27 governance with or otherwise affiliated with an entity that applies

1 for a monetary award or offers to enter into a contract with the
2 office.

3 (f) The board or ~~[executive]~~ committee member shall, before
4 a vote on the monetary award or contract, disclose the fact of the
5 member's employment by the entity. The board or ~~[executive]~~
6 committee shall enter the disclosure into the minutes of the
7 meeting at which a vote on the monetary award or contract is taken.
8 The board or ~~[executive]~~ committee member may not vote on or
9 otherwise participate in a discussion or any other activity that
10 relates to awarding the monetary award or contract.

11 (g) If the board or ~~[executive]~~ committee member does not
12 comply with Subsection (f), the entity is not eligible to be awarded
13 the monetary award or contract.

14 SECTION 17. Sections 487.103(a), (b), and (c), Government
15 Code, are amended to read as follows:

16 (a) The selection committee shall advise the board
17 ~~[executive committee]~~ on the progress of the program.

18 (b) The selection committee is composed of 12 members
19 appointed by the board ~~[executive committee]~~.

20 (c) The board ~~[executive committee]~~ shall consider
21 geographical representation in making appointments to the
22 selection committee.

23 SECTION 18. Sections 487.104(b) and (d), Government Code,
24 are amended to read as follows:

25 (b) The selection committee shall make selections based on
26 criteria approved by the board ~~[executive committee]~~ and adopted as
27 a rule of the office.

1 (d) The selection committee shall recommend to the board
2 ~~[executive committee]~~ guidelines to be used by rural communities in
3 the selection of students for nomination and sponsorship as
4 outstanding rural scholars.

5 SECTION 19. Section 487.107, Government Code, is amended to
6 read as follows:

7 Sec. 487.107. AWARDING OF LOANS. (a) The selection
8 committee shall recommend to the board ~~[executive committee]~~
9 guidelines for the awarding of forgivable loans to outstanding
10 rural scholars.

11 (b) The board ~~[executive committee]~~, acting on the advice of
12 the selection committee, shall award forgivable loans to
13 outstanding rural scholars based on the availability of money in
14 the fund.

15 (c) If in any year the fund is inadequate to provide loans to
16 all eligible applicants, the board ~~[executive committee]~~ shall
17 award forgivable loans on a priority basis according to the
18 applicants' academic performance, test scores, and other criteria
19 of eligibility.

20 SECTION 20. Section 487.108(a), Government Code, is amended
21 to read as follows:

22 (a) On confirmation of an outstanding rural scholar's
23 admission to a postsecondary educational institution, or on receipt
24 of an enrollment report of the scholar at a postsecondary
25 educational institution, and a certification of the amount of
26 financial support needed, the selection committee annually shall
27 recommend to the board ~~[executive committee]~~ that the board

1 ~~[committee]~~ award a forgivable loan to the scholar in the amount of
2 50 percent of the cost of the scholar's tuition, fees, educational
3 materials, and living expenses.

4 SECTION 21. Sections 487.109(b), (c), and (d), Government
5 Code, are amended to read as follows:

6 (b) The sponsoring community shall report to the board
7 ~~[executive committee]~~ the length of time the scholar practices as a
8 health care professional in the community.

9 (c) If the board ~~[executive committee]~~ finds that a
10 sponsoring community is not in need of the scholar's services and
11 that the community is willing to forgive repayment of the principal
12 balance and interest of the scholar's loan, the board ~~[executive~~
13 ~~committee]~~ by rule may provide for the principal balance and
14 interest of one year of the scholar's loan to be forgiven for each
15 year the scholar practices in another rural community in this
16 state.

17 (d) Any amount of loan principal or interest that is not
18 forgiven under this section shall be repaid to the office with
19 reasonable collection fees in a timely manner as provided by board
20 ~~[executive committee]~~ rule.

21 SECTION 22. Section 487.112, Government Code, is amended to
22 read as follows:

23 Sec. 487.112. ADOPTION AND DISTRIBUTION OF RULES. (a) The
24 board ~~[executive committee]~~ shall adopt reasonable rules to enforce
25 the requirements, conditions, and limitations under this
26 subchapter.

27 (b) The board ~~[executive committee]~~ shall set the rate of

1 interest charged on a forgivable loan under this subchapter.

2 (c) The board [~~executive committee~~] shall adopt rules
3 necessary to ensure compliance with the federal Civil Rights Act of
4 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
5 in admissions.

6 SECTION 23. Section 487.154, Government Code, is amended to
7 read as follows:

8 Sec. 487.154. LOANS. (a) The board [~~executive committee~~]
9 may award forgivable educational loans to eligible students under
10 this subchapter.

11 (b) The board [~~executive committee~~] may award forgivable
12 loans to eligible students based on the availability of money in the
13 fund.

14 (c) If in any year the fund is inadequate to provide loans to
15 all eligible students, the board [~~executive committee~~] may award
16 forgivable loans on a priority basis according to the students'
17 academic performance, test scores, and other criteria of
18 eligibility.

19 SECTION 24. Section 487.155(a), Government Code, is amended
20 to read as follows:

21 (a) To be eligible to receive a loan under this subchapter,
22 a student must:

- 23 (1) be sponsored by an eligible community;
24 (2) at the time of the application for the loan, be
25 enrolled in high school or enrolled or accepted for enrollment in a
26 postsecondary educational institution in this state;
27 (3) meet academic requirements as established by the

1 board [~~executive committee~~];

2 (4) plan to complete a health care professional degree
3 or certificate program;

4 (5) plan to practice as a health care professional in a
5 qualified area of the state; and

6 (6) meet other requirements as established by the
7 board [~~executive committee~~].

8 SECTION 25. Section 487.156(c), Government Code, is amended
9 to read as follows:

10 (c) The board [~~executive committee~~] shall determine the
11 percentage of educational expenses communities are required to
12 provide under this section.

13 SECTION 26. Section 487.157(a), Government Code, is amended
14 to read as follows:

15 (a) On confirmation of an eligible student's admission to a
16 postsecondary educational institution, or on receipt of an
17 enrollment report of the student at a postsecondary educational
18 institution, and certification of the amount of financial support
19 needed, the board [~~executive committee~~] may award a forgivable loan
20 to the student in the amount of not more than the cost of the
21 student's tuition, fees, educational materials, and living
22 expenses.

23 SECTION 27. Section 487.158(b), Government Code, is amended
24 to read as follows:

25 (b) The contract must provide that if the student does not
26 provide the required services to the community or provides those
27 services for less than the required time, the student is personally

1 liable to the state for:

2 (1) the total amount of assistance the student
3 receives from the office and the sponsoring community;

4 (2) interest on the total amount at a rate set by the
5 board [~~executive committee~~]; and

6 (3) the state's reasonable expenses incurred in
7 obtaining payment, including reasonable attorney's fees.

8 SECTION 28. Section 487.159(b), Government Code, is amended
9 to read as follows:

10 (b) If the board [~~executive committee~~] finds that a
11 sponsoring community is not in need of the student's services and
12 that the community is willing to forgive repayment of the principal
13 balance and interest of the student's loan, the board [~~executive~~
14 ~~committee~~] by rule may provide for the principal balance and
15 interest of the student's loan to be forgiven if the student
16 provides services in another qualified area in this state.

17 SECTION 29. Sections 487.161(b) and (c), Government Code,
18 are amended to read as follows:

19 (b) The sponsoring community shall report to the board
20 [~~executive committee~~] the length of time the student provides
21 health care services in the community in accordance with the
22 guidelines established by the board [~~executive committee~~].

23 (c) A postsecondary educational institution shall provide
24 to the board [~~executive committee~~] a copy of the academic
25 transcript of each student for whom the institution has received a
26 release that complies with state and federal open records laws and
27 that authorizes the provision of the transcript.

1 SECTION 30. Section 487.163, Government Code, is amended to
2 read as follows:

3 Sec. 487.163. ADOPTION OF RULES. (a) The board [~~executive~~
4 ~~committee~~] shall adopt reasonable rules to enforce the
5 requirements, conditions, and limitations of this subchapter.

6 (b) The board [~~executive committee~~] shall set the rate of
7 interest charged on a forgivable loan under this subchapter.

8 (c) The board [~~executive committee~~] shall adopt rules
9 necessary to ensure compliance with the federal Civil Rights Act of
10 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
11 in admissions.

12 SECTION 31. Sections 487.202, 487.203, and 487.204,
13 Government Code, are amended to read as follows:

14 Sec. 487.202. PROGRAM. (a) The board [~~executive~~
15 ~~committee~~] shall establish and administer a program under this
16 subchapter to increase the number of physicians providing primary
17 care in medically underserved communities.

18 (b) A medically underserved community may sponsor a
19 physician who has completed a primary care residency program and
20 has agreed to provide primary care in the community by contributing
21 start-up money for the physician and having that contribution
22 matched wholly or partly by state money appropriated to the office
23 [~~executive committee~~] for that purpose.

24 (c) A participating medically underserved community may
25 provide start-up money to an eligible physician over a two-year
26 period.

27 (d) The office [~~executive committee~~] may not pay more than

1 \$25,000 to a community in a fiscal year unless the board [~~executive~~
2 ~~committee~~] makes a specific finding of need by the community.

3 (e) The board [~~executive committee~~] shall establish
4 priorities so that the neediest communities eligible for assistance
5 under this subchapter are assured the receipt of a grant.

6 Sec. 487.203. ELIGIBILITY. To be eligible to receive money
7 from the office [~~executive committee~~], a medically underserved
8 community must:

- 9 (1) apply for the money; and
10 (2) provide evidence satisfactory to the board
11 [~~executive committee~~] that it has entered into an agreement with a
12 physician for the physician to provide primary care in the
13 community for at least two years.

14 Sec. 487.204. RULES. The board [~~executive committee~~] shall
15 adopt rules necessary for the administration of this subchapter,
16 including rules addressing:

- 17 (1) eligibility criteria for a medically underserved
18 community;
19 (2) eligibility criteria for a physician;
20 (3) minimum and maximum community contributions to the
21 start-up money for a physician to be matched with state money;
22 (4) conditions under which state money must be repaid
23 by a community or physician;
24 (5) procedures for disbursement of money by the office
25 [~~executive committee~~];
26 (6) the form and manner in which a community must make
27 its contribution to the start-up money; and

(7) the contents of an agreement to be entered into by the parties, which must include at least:

- (A) a credit check for an eligible physician; and
- (B) community retention of interest in any property, equipment, or durable goods for seven years.

SECTION 32. Section 487.252, Government Code, is amended to read as follows:

Sec. 487.252. TEXAS HEALTH SERVICE CORPS PROGRAM. (a) The board [~~executive committee~~] shall establish a program in the office to assist communities in recruiting and retaining physicians to practice in medically underserved areas.

(b) The board [~~executive committee~~] by rule shall establish:

- (1) eligibility criteria for applicants;
- (2) stipend application procedures;
- (3) guidelines relating to stipend amounts;
- (4) procedures for evaluating stipend applications;

and

- (5) a system of priorities relating to the:
 - (A) geographic areas covered;
 - (B) medical specialties eligible to receive funding under the program; and
 - (C) level of stipend support.

SECTION 33. Section 487.253(a), Government Code, is amended to read as follows:

(a) The board [~~executive committee~~] shall adopt rules necessary to administer this subchapter, and the office shall

1 administer the program in accordance with those rules.

2 SECTION 34. Section 487.351, Government Code, is amended by
3 adding Subsection (c) to read as follows:

4 (c) The office shall give priority to eligible activities in
5 the areas of economic development, community development, rural
6 health, and rural housing to support workforce development in
7 awarding funding for community development block grant programs.

8 SECTION 35. Subchapter I, Chapter 487, Government Code, is
9 amended by adding Section 487.3515 to read as follows:

10 Sec. 487.3515. EVALUATION OF COMMUNITY DEVELOPMENT BLOCK
11 GRANT PROGRAM. (a) The office, in consultation with the Department
12 of Agriculture, shall review and evaluate the administration of the
13 state's allocation of federal funds under the community development
14 block grant nonentitlement program and, based on the results of the
15 evaluation, streamline administration of the program and program
16 requirements. The office shall, at a minimum, evaluate:

17 (1) combining program fund categories, within
18 allowable limits provided by state statute, the General
19 Appropriations Act, and federal law and regulations;

20 (2) simplifying the grant application and scoring
21 process; and

22 (3) regularly reviewing and closing out aged
23 contracts.

24 (b) The office shall implement program changes resulting
25 from the evaluation that do not require statutory changes as soon as
26 possible, but not later than the date the office publishes the next
27 community development block grant nonentitlement program action

1 plan.

2 (c) The office shall include the findings from the
3 evaluation, program changes resulting from the evaluation, and any
4 statutory changes needed to make additional changes in the agency's
5 biennial report to the 81st Legislature.

6 (d) This section expires September 1, 2009.

7 SECTION 36. Section 487.353, Government Code, is amended by
8 amending Subsections (i) and (j) and adding Subsections (k) and (l)
9 to read as follows:

10 (i) The committee shall:

11 (1) consult with and advise the executive director on
12 the administration and enforcement of the community development
13 block grant program; and

14 (2) in consultation with the executive director and
15 office staff, review and approve grant and loan [funding]
16 applications and associated funding awards of eligible counties and
17 municipalities and advise and assist the executive director
18 regarding the allocation of program funds to those applicants.

19 (j) The committee may annually recommend to the executive
20 director a formula for allocating funds to each geographic state
21 planning region established by the governor under Chapter 391,
22 Local Government Code. The formula must give preference to regions
23 according to the regions' needs.

24 (k) An applicant for a grant, loan, or award under a
25 community development block grant program may appeal a decision of
26 the committee by filing a complaint with the board. The board shall
27 hold a hearing on a complaint filed with the board under this

1 subsection and render a decision.

2 (1) The committee is a governmental body for purposes of the
3 open meetings law, Chapter 551.

4 SECTION 37. Section 487.401, Government Code, is amended to
5 read as follows:

6 Sec. 487.401. ADMINISTRATION. (a) The board [~~executive~~
7 ~~committee~~] shall adopt rules that establish a procedure for
8 designating a hospital as a rural hospital in order for the hospital
9 to qualify for federal funds under 42 C.F.R. Part 412.

10 (b) At the hospital's request, the office shall designate
11 the hospital as a rural hospital if the hospital meets the
12 requirements for a rural hospital under the board's [~~executive~~
13 ~~committee's~~] rules.

14 SECTION 38. Section 487.451(1), Government Code, is amended
15 to read as follows:

16 (1) "Health care professional" means:

- 17 (A) an advanced nurse practitioner;
- 18 (B) a dentist;
- 19 (C) a dental hygienist;
- 20 (D) a laboratory technician;
- 21 (E) a licensed vocational nurse;
- 22 (F) a licensed professional counselor;
- 23 (G) a medical radiological technologist;
- 24 (H) an occupational therapist;
- 25 (I) a pharmacist;
- 26 (J) a physical therapist;
- 27 (K) a physician;

1 (L) a physician assistant;
2 (M) a psychologist;
3 (N) a registered nurse;
4 (O) a social worker;
5 (P) a speech-language pathologist;
6 (Q) a veterinarian;
7 (R) a chiropractor; and
8 (S) another appropriate health care professional
9 identified by the board [~~executive committee~~].

10 SECTION 39. Section 487.452(a), Government Code, is amended
11 to read as follows:

12 (a) The board [~~executive committee~~], in collaboration with
13 Area Health Education Center Programs, shall establish a community
14 healthcare awareness and mentoring program for students to:

15 (1) identify high school students in rural and
16 underserved urban areas who are interested in serving those areas
17 as health care professionals;

18 (2) identify health care professionals in rural and
19 underserved urban areas to act as positive role models, mentors, or
20 reference resources for the interested high school students;

21 (3) introduce interested high school students to the
22 spectrum of professional health care careers through activities
23 such as health care camps and shadowing of health care
24 professionals;

25 (4) encourage a continued interest in service as
26 health care professionals in rural and underserved urban areas by
27 providing mentors and community resources for students

1 participating in training or educational programs to become health
2 care professionals; and

3 (5) provide continuing community-based support for
4 students during the period the students are attending training or
5 educational programs to become health care professionals,
6 including summer job opportunities and opportunities to mentor high
7 school students in the community.

8 SECTION 40. Section 487.454, Government Code, is amended to
9 read as follows:

10 Sec. 487.454. GRANTS; ELIGIBILITY. (a) Subject to
11 available funds, the board [~~executive committee~~] shall develop and
12 implement, as a component of the program, a grant program to support
13 employment opportunities in rural and underserved urban areas in
14 this state for students participating in training or educational
15 programs to become health care professionals.

16 (b) In awarding grants under the program, the board
17 [~~executive committee~~] shall give first priority to grants to
18 training or educational programs that provide internships to
19 students.

20 (c) To be eligible to receive a grant under the grant
21 program, a person must:

22 (1) apply for the grant on a form adopted by the board
23 [~~executive committee~~];

24 (2) be enrolled or intend to be enrolled in a training
25 or educational program to become a health care professional;

26 (3) commit to practice or work, after licensure as a
27 health care professional, for at least one year as a health care

1 professional in a rural or underserved urban area in this state; and

2 (4) comply fully with any practice or requirements
3 associated with any scholarship, loan, or other similar benefit
4 received by the student.

5 (d) As a condition of receiving a grant under the program
6 the student must agree to repay the amount of the grant, plus a
7 penalty in an amount established by rule of the board [~~executive~~
8 ~~committee~~] not to exceed two times the amount of the grant, if the
9 student becomes licensed as a health care professional and fails to
10 practice or work for at least one year as a health care professional
11 in a rural or underserved urban area in this state.

12 SECTION 41. Section 487.553, Government Code, is amended to
13 read as follows:

14 Sec. 487.553. LOAN REIMBURSEMENT PROGRAM. The board
15 [~~executive committee~~] shall establish a program in the office to
16 assist communities in recruiting health professionals to practice
17 in medically underserved communities by providing loan
18 reimbursement for health professionals who serve in those
19 communities.

20 SECTION 42. Section 487.554(a), Government Code, is amended
21 to read as follows:

22 (a) The board [~~executive committee~~] shall establish a
23 program in the office to assist communities in recruiting health
24 professionals to practice in medically underserved communities by
25 providing a stipend to health professionals who agree to serve in
26 those communities.

27 SECTION 43. Section 487.555(e), Government Code, is amended

to read as follows:

(e) A contract under this section must provide that a health professional who does not provide the required services to the community or provides those services for less than the required time is personally liable to the state for:

(1) the total amount of assistance the health professional received from the office and the medically underserved community;

(2) interest on the amount under Subdivision (1) at a rate set by the board [~~executive committee~~];

(3) the state's reasonable expenses incurred in obtaining payment, including reasonable attorney's fees; and

(4) a penalty as established by the board [~~executive committee~~] by rule to help ensure compliance with the contract.

SECTION 44. Section 487.556, Government Code, is amended to read as follows:

Sec. 487.556. POWERS AND DUTIES OF OFFICE. (a) The board [~~executive committee~~] shall adopt rules necessary for the administration of this subchapter, including guidelines for:

(1) developing contracts under which loan reimbursement or stipend recipients provide services to qualifying communities;

(2) identifying the duties of the state, state agency, loan reimbursement or stipend recipient, and medically underserved community under the loan reimbursement or stipend contract;

(3) determining a rate of interest to be charged under Section 487.555(e)(2);

1 (4) ensuring that a loan reimbursement or stipend
2 recipient provides access to health services to participants in
3 government-funded health benefits programs in qualifying
4 communities;

5 (5) encouraging the use of telecommunications or
6 telemedicine, as appropriate;

7 (6) prioritizing the provision of loan reimbursements
8 and stipends to health professionals who are not eligible for any
9 other state loan forgiveness, loan repayment, or stipend program;

10 (7) prioritizing the provision of loan reimbursements
11 and stipends to health professionals who are graduates of health
12 professional degree programs in this state;

13 (8) encouraging a medically underserved community
14 served by a loan reimbursement or stipend recipient to contribute
15 to the cost of the loan reimbursement or stipend when making a
16 contribution is feasible; and

17 (9) requiring a medically underserved community
18 served by a loan reimbursement or stipend recipient to assist the
19 office in contracting with the loan reimbursement or stipend
20 recipient who will serve that community.

21 (b) The board [~~executive committee~~] by rule may designate
22 areas of the state as medically underserved communities.

23 (c) The board [~~executive committee~~] shall make reasonable
24 efforts to contract with health professionals from a variety of
25 different health professions.

26 SECTION 45. Section 487.608(a), Government Code, is amended
27 to read as follows:

1 (a) The rural physician relief advisory committee is
2 composed of the following members appointed by the board [~~executive~~
3 ~~committee~~]:

4 (1) a physician who practices in the area of general
5 family medicine in a rural county;

6 (2) a physician who practices in the area of general
7 internal medicine in a rural county;

8 (3) a physician who practices in the area of general
9 pediatrics in a rural county;

10 (4) a representative from an accredited Texas medical
11 school;

12 (5) a program director from an accredited primary care
13 residency program;

14 (6) a representative from the Texas Higher Education
15 Coordinating Board; and

16 (7) a representative from the Texas [~~State Board of~~
17 Medical Board [~~Examiners~~].

18 SECTION 46. Section 110.003(a), Health and Safety Code, is
19 amended to read as follows:

20 (a) The Rural Foundation is governed by a board of five
21 directors appointed by the board [~~executive committee~~] of the
22 Office of Rural Community Affairs from individuals recommended by
23 the executive director of the Office of Rural Community Affairs.

24 SECTION 47. Section 110.010, Health and Safety Code, is
25 amended to read as follows:

26 Sec. 110.010. MEMORANDUM OF UNDERSTANDING. The Rural
27 Foundation and the Office of Rural Community Affairs shall enter

1 into a memorandum of understanding that:

2 (1) requires the board of directors and staff of the
3 foundation to report to the executive director and board [~~executive~~
4 ~~committee~~] of the Office of Rural Community Affairs;

5 (2) allows the Office of Rural Community Affairs to
6 provide staff functions to the foundation;

7 (3) allows the Office of Rural Community Affairs to
8 expend funds on the foundation; and

9 (4) outlines the financial contributions to be made to
10 the foundation from funds obtained from grants and other sources.

11 SECTION 48. (a) The nine members of the executive committee
12 of the Office of Rural Community Affairs who are serving
13 immediately before September 1, 2007, continue to serve as members
14 of the governing board of the office on and after that date
15 regardless of whether those members meet the membership
16 requirements prescribed by Subchapter B, Chapter 487, Government
17 Code, as amended by this Act. However, the positions of those nine
18 members are abolished on the date on which a majority of the 11
19 board membership positions that are created under Section 487.021,
20 Government Code, as amended by this Act, are filled and the
21 appointees qualify for office.

22 (b) The governor, the lieutenant governor, and the speaker
23 of the house of representatives shall make the 10 appointments to
24 the board under Section 487.021, Government Code, as amended by
25 this Act, as soon as possible on or after September 1, 2007. In
26 making the initial appointments, the governor shall designate two
27 members for terms expiring February 1, 2009, one member for a term

1 expiring February 1, 2011, and one member for a term expiring
2 February 1, 2013. In making the initial appointments, the
3 lieutenant governor and the speaker of the house shall each
4 designate one nonlegislative member for a term expiring February 1,
5 2011, and one nonlegislative member for a term expiring February 1,
6 2013. Any person who served as a member of the executive committee
7 before September 1, 2007, may be appointed to the board.

8 SECTION 49. This Act takes effect immediately if it
9 receives a vote of two-thirds of all the members elected to each
10 house, as provided by Section 39, Article III, Texas Constitution.
11 If this Act does not receive the vote necessary for immediate
12 effect, this Act takes effect September 1, 2007.

COMMITTEE REPORT

The Honorable Tom Craddick
Speaker of the House of Representatives

4-23-07
(date)

Sir:

We, your **COMMITTEE ON AGRICULTURE AND LIVESTOCK**

to whom was referred HB 2542 have had the same under consideration and beg to report back with the recommendation that it

☐ do pass, without amendment.

☐ do pass, with amendment(s).

☒ do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

☒ yes ☐ no A fiscal note was requested.

☐ yes ☒ no A criminal justice policy impact statement was requested.

☐ yes ☒ no An equalized educational funding impact statement was requested.

☐ yes ☒ no An actuarial analysis was requested.

☐ yes ☒ no A water development policy impact statement was requested.

☐ yes ☒ no A tax equity note was requested.

☐ The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

For Senate Measures: House Sponsor _____

Joint Sponsors: _____

Co-Sponsors: _____

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Miller, Chair	X			
Anderson, Vice-chair	X			
Brown, B., CBO				X
Aycock	X			
Gallego				X
Garcia	X			
Heflin	X			

Total 5 aye
 0 nay
 0 present, not voting
 2 absent


CHAIR

BILL ANALYSIS

C.S.H.B. 2542
By: Kolkhorst
Agriculture & Livestock
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Created in 2001, the Office of Rural Community Affairs (ORCA's) mission is to assist rural communities to enhance their quality of life and support their ongoing contributions to Texas' prosperity. ORCA is the State's lead agency for administering Texas' federally-funded rural Community Development Block Grant (CDBG) program, and for administering rural health programs to assist rural communities.

The Office is subject to the Sunset Act and will be abolished on September 1, 2007, unless continued by the Legislature. The Sunset Advisory Commission recommended to continue the Office as an independent state agency with a new 11-member governing Board. The bill includes several changes in law to address additional areas needing improvement, and subjects the Office to Sunset review in eight years.

RULEMAKING AUTHORITY

It is the committee's opinion that the rule-making authority previously delegated to the Office of Rural Community Affairs Executive Committee is transferred to the Office of Rural Community Affairs Board in SECTION 10, SECTION 18, SECTION 21, SECTION 22, SECTION 28, SECTION 30, SECTION 31, SECTION 32, SECTION 33, SECTION 37, SECTION 40, SECTION 43, and SECTION 44 of this bill.

ANALYSIS

Continuation of the Office with a refocused mission

C.S.H.B. 2542 continues the Office of Rural Community Affairs as an independent state agency for eight years, with a more narrowly focused mission to better serve rural communities. The bill revises the agency's duties to serving as a clearing house for information on rural programs and services; providing assistance to rural communities in key rural development areas of economic development, community development, rural health, and rural housing; and prioritize critical rural policy concerns and work with the Legislature to resolve these issues. To support the Office's narrower mission, the bill deletes several Office duties including: developing a rural policy for the State, improving the results of state rural programs, and developing programs to improve the leadership capacity of rural communities.

Establishment of a new governing Board

The bill replaces the Office's Executive Committee with a new eleven member Board, with the following membership:

- four members appointed by the governor, including two rural community members and two local elected officials or city or county employees
- three members appointed by the Lieutenant Governor, including one Senator as a non-voting member, and two public members
- three members appointed by the Speaker of the House, including one Representative as a non-voting member, and two public members; and
- the Commissioner of Agriculture, as a voting, ex officio member.

C.S.H.B. 2542 requires all appointed members to reside in rural cities or counties to ensure the new Board has expertise needed to understand rural concerns and identify rural policy issues.

The bill provides for new appointments to the board to be made as soon as possible on or after September 1, 2007 and sets in place the term of expiration for certain appointees. This bill

C.S.H.B. 2542 80(R)

provides that the current membership of the executive committee continue to serve regardless if they meet the requirements set forth in this bill. However, the positions are abolished when a majority of the 11 board are filled and qualified for office.

This bill also lets any person who has served on the executive committee before September 1, 2007 be qualified for an appointment to the Board.

Expansion of the State Review Committee's role

The bill broadens the role of the State Review Committee by authorizing the Committee to review all rural community development block grant applications and to make funding award decisions. The bill requires the newly created Board to hear an appeal of Committee decisions if an applicant files a complaint.

Evaluation of the rural Community Development Block Grant (CDBG) program

The bill requires the Office, in consultation with the Texas Department of Agriculture, to evaluate and streamline administration of Texas' rural CDBG program. The bill requires the program evaluation to include, at a minimum; combining of funding categories, simplifying the application and scoring process, and regularly reviewing and closing out aged contracts. The bill requires the agency to implement non-statutory changes to the rural CDBG program no later than the next CDBG action plan after the effective date of the bill, and to report to the 81st Legislature on the findings of the evaluation, any resulting program changes, and any statutory changes needed to further improve the program.

Assessment of housing availability in rural areas.

The bill requires the Office, to compile information on the availability of housing in rural communities, assess this information, and report back to the Legislature with this information.

Closer coordination between the Office and the Texas Department of Agriculture

The bill requires ORCA to cross-train staff with Texas Department of Agriculture (TDA) staff on their respective rural programs, and allows the Office to base its field staff in (TDA) offices.

Conforming changes

The bill makes conforming changes throughout the bill to reflect the change from an executive committee to a board.

Technical corrections

The bill makes technical corrections throughout the bill, including adding agency employees to existing conflict of interest provisions that apply to the executive director, changing executive committee to office where needed, and correcting a reference to the Texas Medical Board.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 2542 modifies the original bill changing the agency's Sunset date from four years to eight years, and allows, rather than requires, ORCA to base its field staff in TDA offices.

C.S.H.B. 2542 changes the Senate and House legislative members of the Board to non-voting members, rather than voting members in the original bill. C.S.H.B. 2542 removes natural resources as one of the key focus areas of the agency's mission, and instead adds rural housing, and requires the Office to report on the availability of rural housing in its report to the Legislature. C.S.H.B 2542 authorizes the State Review Committee to review and approve only rural community development block grant applications, rather than all agency grant and loan applications in the original bill. In addition, C.S.H.B 2542 modifies the original bill by adding and updating standard Sunset across-the-board recommendation language, including adding requirements for the agency to make effective use of technology and to adopt a policy encouraging the use negotiated rulemaking and alternative dispute resolution; updating training requirements for board members; and updating complaint information retained by the agency.

SUMMARY OF COMMITTEE ACTION

HB 2542

April 03, 2007 8:00 AM

Considered in public hearing

Testimony taken in committee (See attached witness list.)

Left pending in committee

April 17, 2007 8:00 AM

Considered in public hearing

Committee substitute considered in committee

Left pending in committee

April 23, 2007 upon lunch recess

Considered in formal meeting

Committee substitute considered in committee

Reported favorably as substituted

WITNESS LIST

HB 2542
HOUSE COMMITTEE REPORT
Agriculture & Livestock Committee

April 3, 2007 - 8:00 AM

For: Knaupe, Gregg (Texas Hospital Association)
Turner, Bob (Texas Sheep and Goat Raisers Association)
Turner, Bob (Texas Poultry Federation)
Yohe, James (Nocona Economic Development Corporation)

On: Klussmann, Wallace (Office of Rural Community Affairs)
longley, Joey (Sunset Commission)
Ninaud, Christian (Sunset Advisory Commission)
Stone, Charles S. (Charlie) (Office of Rural Community Affairs)
Waters, Mike (Executive Committee of the Office of Rural Community Affairs)

Registering, but not testifying:

For: Beck, Regan (Texas Farm Bureau)
Chatham, Donna (Association of Rural Communities in Texas)
Herzog, Greg (Texas Medical Association)

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 27, 2007

TO: Honorable Sid Miller, Chair, House Committee on Agriculture & Livestock

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2542 by Kolkhorst (Relating to the continuation and functions of the Office of Rural Community Affairs.), Committee Report 1st House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would amend Government Code to continue the Office of Rural Community Affairs (ORCA) for eight years. The bill would modify the executive committee from a committee made up of nine members to a board with 11 members. The bill would narrow ORCA's powers and duties to include assisting rural communities in the key areas of economic development, community development, rural health, and rural housing; serve as a clearinghouse for information and resources on all state and federal programs affecting rural communities; identify and prioritize policy issues and concerns affecting rural communities in the state; and make recommendations to the legislature to address the concerns affecting rural communities. The bill would authorize ORCA to collocate its field staff in the Department of Agriculture's offices and work in conjunction with the Department of Agriculture to regularly cross-train office employees regarding the programs administered and services provided by each agency to rural communities. The bill would require the board to review grant applications and approve grant and loan awards. The bill would require ORCA to work in consultation with the Department of Agriculture to evaluate and streamline the administration of the rural Community Development Block Grant (CDBG) program.

Based on information provided by ORCA, the Department of Agriculture, and the Sunset Advisory Commission, it is assumed that any additional costs related to the duties and responsibilities associated with implementing the provisions of the bill could be covered by utilizing existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 357 Office of Rural Community Affairs, 551 Department of Agriculture

LBB Staff: JOB, WK, AH

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 2, 2007

TO: Honorable Sid Miller, Chair, House Committee on Agriculture & Livestock

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2542 by Kolkhorst (Relating to the continuation and functions of the Office of Rural Community Affairs.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Government Code to continue the Office of Rural Community Affairs (ORCA) for four years. The bill would modify the executive committee from a committee made up of nine members to a board with 11 members. The bill would narrow ORCA's powers and duties to include assisting rural communities in the key areas of economic development, community development, rural health, and natural resources; serve as a clearinghouse for information and resources on all state and federal programs affecting rural communities; identify and prioritize policy issues and concerns affecting rural communities in the state; and make recommendations to the legislature to address the concerns affecting rural communities. The bill would require ORCA to collocate its field staff in the Department of Agriculture's offices and work in conjunction with the Department of Agriculture to regularly cross-train office employees regarding the programs administered and services provided by each agency to rural communities. The bill would require the State Review Committee to review grant applications and approve grant and loan awards. The bill would require ORCA to work in consultation with the Department of Agriculture to evaluate and streamline the administration of the rural Community Development Block Grant (CDBG) program.

Based on information provided by ORCA, the Department of Agriculture, and the Sunset Advisory Commission, it is assumed that any additional costs related to the duties and responsibilities associated with implementing the provisions of the bill could be covered by utilizing existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 357 Office of Rural Community Affairs, 551 Department of Agriculture

LBB Staff: JOB, WK, AH

ADOPTED

MAY 04 2007

Robert Haney
Chief Clerk
House of Representatives

By: ~~D. W. Kolbe~~

~~H.B. No. 2542~~

Substitute the following for H.B. No. 2542:

By: ~~ANDERSON~~

~~C.S. H.B. No. 2542~~

A BILL TO BE ENTITLED

AN ACT

relating to the continuation and functions of the Office of Rural
Community Affairs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 487.001(1), Government Code, is amended
to read as follows:

(1) "Board" [~~"Executive committee"~~] means the board
[~~executive committee~~] of the Office of Rural Community Affairs.

SECTION 2. Section 487.002, Government Code, is amended to
read as follows:

Sec. 487.002. SUNSET PROVISION. The Office of Rural
Community Affairs is subject to Chapter 325 (Texas Sunset Act).
Unless continued in existence as provided by that chapter, the
office is abolished and this chapter expires September 1, 2015
[2007].

SECTION 3. Section 487.021, Government Code, is amended to
read as follows:

Sec. 487.021. BOARD [~~EXECUTIVE COMMITTEE~~]. (a) The board
[~~executive committee~~] is the governing body of the office.

(b) The board [~~executive committee~~] is composed of the
following 11 [~~nine~~] members:

(1) four [~~three~~] members who represent different
geographic regions of the state appointed by the governor,
including:

1 (A) two locally elected rural city or county
2 officials or city or county employees involved with rural
3 development; and

4 (B) two public members each of whom resides in a
5 rural city or county;

6 (2) three members appointed by the lieutenant
7 governor, including:

8 (A) one senator who resides in a rural city or
9 county; and

10 (B) two public members each of whom resides in a
11 rural city or county and is interested in rural issues; [and]

12 (3) three members appointed by the speaker of the
13 house of representatives, including:

14 (A) one member of the house of representatives
15 who resides in a rural city or county; and

16 (B) two public members each of whom resides in a
17 rural city or county and is interested in rural issues; and

18 (4) the commissioner of agriculture or the
19 commissioner's designee.

20 (b-1) The two board members who are members of the
21 legislature are nonvoting members.

22 (c) In this section, "rural city or county" means a rural
23 city or county as defined by the federal community development
24 block grant nonentitlement program. [The governor, the lieutenant
25 governor, and the speaker of the house of representatives shall
26 each appoint at least two members who possess a strong
27 understanding of and commitment to rural interests based on the

1 ~~individual's personal history, including residency, occupation,~~
2 ~~and business or civic activities.]~~

3 (d) Appointments to the board ~~[executive committee]~~ shall
4 be made without regard to the race, color, disability, sex,
5 religion, age, or national origin of the appointees.

6 (e) The members of the board who are not serving as an
7 additional duty of an office in state government ~~[executive~~
8 ~~committee]~~ serve for staggered six-year terms, with the terms of
9 two or three members expiring February 1 of each odd-numbered year.
10 A member of the legislature serves at the will of the appointing
11 authority.

12 (f) Board ~~[Executive committee]~~ members receive no
13 compensation but are entitled to reimbursement of actual and
14 necessary expenses incurred in the performance of their duties.

15 (g) The governor shall designate a member ~~[The members]~~ of
16 the board as the ~~[executive committee annually shall elect a]~~
17 presiding officer ~~[from among the members]~~ of the board to serve in
18 that capacity at the will of the governor ~~[executive committee].~~

19 (h) Service on the board by a member of the legislature, the
20 commissioner of agriculture, or an officer of a county or
21 municipality is an additional duty of the individual's office.

22 SECTION 4. Sections 487.022(b) and (c), Government Code,
23 are amended to read as follows:

24 (b) A person may not be a member of the board ~~[executive~~
25 ~~committee]~~ and may not be an office employee employed in a "bona
26 fide executive, administrative, or professional capacity," as that
27 phrase is used for purposes of establishing an exemption to the

1 overtime provisions of the federal Fair Labor Standards Act of 1938
2 (29 U.S.C. Section 201 et seq.) and its subsequent amendments, if:

3 (1) the person is an officer, employee, or paid
4 consultant of a Texas trade association in the field of rural
5 affairs; or

6 (2) the person's spouse is an officer, manager, or paid
7 consultant of a Texas trade association in the field of rural
8 affairs.

9 (c) A person may not be a member of the board [~~executive~~
10 ~~committee~~] or act as the general counsel to the board [~~executive~~
11 ~~committee~~] or the office if the person is required to register as a
12 lobbyist under Chapter 305 because of the person's activities for
13 compensation on behalf of a profession related to the operation of
14 the office.

15 SECTION 5. Sections 487.023 through 487.027, Government
16 Code, are amended to read as follows:

17 Sec. 487.023. TRAINING FOR MEMBERS OF BOARD [~~EXECUTIVE~~
18 ~~COMMITTEE~~]. (a) A person who is appointed to and qualifies for
19 office as a member of the board [~~executive committee~~] may not vote,
20 deliberate, or be counted as a member in attendance at a meeting of
21 the board [~~executive committee~~] until the person completes a
22 training program that complies with this section.

23 (b) The training program must provide the person with
24 information regarding:

25 (1) the legislation that created the office [~~and the~~
26 ~~executive committee~~];

27 (2) the programs, [~~operated by the office,~~

1 ~~[(3) the role and]~~ functions, ~~[of the office,~~
2 ~~[(4) the]~~ rules, ~~[of the office, with an emphasis on~~
3 ~~any rules that relate to disciplinary]~~ and ~~[investigatory~~
4 ~~authority,~~
5 ~~[(5) the current]~~ budget of ~~[for]~~ the office;
6 (3) ~~[(6)]~~ the results of the most recent formal audit
7 of the office;
8 (4) ~~[(7)]~~ the requirements of laws relating to ~~[+]~~
9 ~~[(A) the]~~ open meetings ~~[law], [Chapter 551,~~
10 ~~[(B) the]~~ public information ~~[law], [Chapter~~
11 ~~552,~~
12 ~~[(C) the]~~ administrative procedure ~~[law],~~
13 ~~[Chapter 2001,~~ and conflicts of interest
14 ~~[(D) other laws relating to public officials,~~
15 ~~including conflict-of-interest laws]~~; and
16 (5) ~~[(8)]~~ any applicable ethics policies adopted by
17 the office ~~[executive committee]~~ or the Texas Ethics Commission.

18 (c) A person appointed to the board ~~[executive committee]~~ is
19 entitled to reimbursement, as provided by ~~[general law and]~~ the
20 General Appropriations Act, for the travel expenses incurred in
21 attending the training program regardless of whether the attendance
22 at the program occurs before or after the person qualifies for
23 office.

24 Sec. 487.024. REMOVAL. (a) It is a ground for removal from
25 the board ~~[executive committee]~~ that a member:

26 (1) does not have at the time of taking office the
27 qualifications required by Section 487.021;

1 (2) does not maintain during service on the board
2 ~~[executive committee]~~ the qualifications required by Section
3 487.021;

4 (3) is ineligible for membership under Section
5 487.022;

6 (4) cannot, because of illness or disability,
7 discharge the member's duties for a substantial part of the member's
8 term; or

9 (5) is absent from more than half of the regularly
10 scheduled board ~~[executive committee]~~ meetings that the member is
11 eligible to attend during a calendar year without an excuse
12 approved by a majority vote of the board ~~[executive committee]~~.

13 (b) The validity of an action of the board ~~[executive~~
14 ~~committee]~~ is not affected by the fact that it is taken when a
15 ground for removal of a board ~~[an executive committee]~~ member
16 exists.

17 (c) If the executive director has knowledge that a potential
18 ground for removal exists, the executive director shall notify the
19 presiding officer of the board ~~[executive committee]~~ of the
20 potential ground. The presiding officer shall then notify the
21 appointing authority ~~[governor]~~ and the attorney general that a
22 potential ground for removal exists. If the potential ground for
23 removal involves the presiding officer, the executive director
24 shall notify the next highest ranking officer of the board
25 ~~[executive committee]~~, who shall then notify the appointing
26 authority ~~[governor]~~ and the attorney general that a potential
27 ground for removal exists.

1 Sec. 487.025. DIVISION OF RESPONSIBILITY. The board
2 [~~executive committee~~] shall develop and implement policies that
3 clearly separate the policy-making responsibilities of the board
4 [~~executive committee~~] and the management responsibilities of the
5 executive director and staff of the office.

6 Sec. 487.026. EXECUTIVE DIRECTOR. (a) The board
7 [~~executive committee~~] may hire an executive director to serve as
8 the chief executive officer of the office and to perform the
9 administrative duties of the office.

10 (b) The executive director serves at the will of the board
11 [~~executive committee~~].

12 (c) The executive director may hire staff within guidelines
13 established by the board [~~executive committee~~].

14 Sec. 487.027. PUBLIC HEARINGS. The board [~~executive~~
15 ~~committee~~] shall develop and implement policies that provide the
16 public with a reasonable opportunity to appear before the board
17 [~~executive committee~~] and to speak on any issue under the
18 jurisdiction of the office.

19 SECTION 6. Section 487.029, Government Code, is amended to
20 read as follows:

21 Sec. 487.029. STANDARDS OF CONDUCT. The executive director
22 or the executive director's designee shall provide to members of
23 the board [~~executive committee~~] and to agency employees, as often
24 as necessary, information regarding the requirements for office or
25 employment under this chapter, including information regarding a
26 person's responsibilities under applicable laws relating to
27 standards of conduct for state officers or employees.

1 SECTION 7. Section 487.030, Government Code, is amended to
2 read as follows:

3 Sec. 487.030. COMPLAINTS. (a) The office shall maintain a
4 system to promptly and efficiently act on complaints ~~[file on each~~
5 ~~written complaint]~~ filed with the office. The office shall
6 maintain information about parties to the complaint, the subject
7 matter of the complaint, a summary of the results of the review or
8 investigation of the complaint, and its disposition ~~[The file must~~
9 ~~include:~~

10 ~~[(1) the name of the person who filed the complaint,~~
11 ~~[(2) the date the complaint is received by the office,~~
12 ~~[(3) the subject matter of the complaint,~~
13 ~~[(4) the name of each person contacted in relation to~~
14 ~~the complaint,~~
15 ~~[(5) a summary of the results of the review or~~
16 ~~investigation of the complaint, and~~
17 ~~[(6) an explanation of the reason the file was closed,~~
18 ~~if the office closed the file without taking action other than to~~
19 ~~investigate the complaint].~~

20 (b) The office shall make information available describing
21 its ~~[provide to the person filing the complaint and to each person~~
22 ~~who is a subject of the complaint a copy of the office's policies~~
23 ~~and]~~ procedures for ~~[relating to]~~ complaint investigation and
24 resolution.

25 (c) The office~~[, at least quarterly until final disposition~~
26 ~~of the complaint,~~] shall periodically notify the complaint parties
27 ~~[person filing the complaint and each person who is a subject of the~~

1 ~~complaint]~~ of the status of the complaint until final disposition
2 ~~[investigation unless the notice would jeopardize an undercover~~
3 ~~investigation]~~.

4 SECTION 8. Subchapter B, Chapter 487, Government Code, is
5 amended by adding Sections 487.031 and 487.032 to read as follows:

6 Sec. 487.031. USE OF TECHNOLOGY. The board shall implement
7 a policy requiring the office to use appropriate technological
8 solutions to improve the office's ability to perform its functions.
9 The policy must ensure that the public is able to interact with the
10 office on the Internet.

11 Sec. 487.032. NEGOTIATED RULEMAKING AND ALTERNATIVE
12 DISPUTE RESOLUTION PROCEDURES. (a) The board shall develop and
13 implement a policy to encourage the use of:

14 (1) negotiated rulemaking procedures under Chapter
15 2008 for the adoption of office rules; and

16 (2) appropriate alternative dispute resolution
17 procedures under Chapter 2009 to assist in the resolution of
18 internal and external disputes under the office's jurisdiction.

19 (b) The office's procedures relating to alternative dispute
20 resolution must conform, to the extent possible, to any model
21 guidelines issued by the State Office of Administrative Hearings
22 for the use of alternative dispute resolution by state agencies.

23 (c) The board shall designate a trained person to:

24 (1) coordinate the implementation of the policy
25 adopted under Subsection (a);

26 (2) serve as a resource for any training needed to
27 implement the procedures for negotiated rulemaking or alternative

1 dispute resolution; and

2 (3) collect data concerning the effectiveness of those
3 procedures, as implemented by the office.

4 SECTION 9. Section 487.051, Government Code, is amended to
5 read as follows:

6 Sec. 487.051. POWERS AND DUTIES. (a) The office shall:

7 (1) assist rural communities in the key areas of
8 economic development, community development, rural health, and
9 rural housing [~~develop a rural policy for the state in consultation~~
10 ~~with local leaders representing all facets of rural community life,~~
11 ~~academic and industry experts, and state elected and appointed~~
12 ~~officials with interests in rural communities~~];

13 (2) serve as a clearinghouse for information and
14 resources on all state and federal programs affecting rural
15 communities [~~work with other state agencies and officials to~~
16 ~~improve the results and the cost-effectiveness of state programs~~
17 ~~affecting rural communities through coordination of efforts~~];

18 (3) in consultation with rural community leaders,
19 locally elected officials, state elected and appointed officials,
20 academic and industry experts, and the interagency work group
21 created under this chapter, identify and prioritize policy issues
22 and concerns affecting rural communities in the state [~~develop~~
23 ~~programs to improve the leadership capacity of rural community~~
24 ~~leaders~~];

25 (4) make recommendations to the legislature to address
26 the concerns affecting rural communities identified under
27 Subdivision (3);

1 (5) monitor developments that have a substantial
2 effect on rural Texas communities, especially actions of state
3 government, and compile an annual report describing and evaluating
4 the condition of rural communities;

5 (6) [~~45~~] administer the federal community
6 development block grant nonentitlement program;

7 (7) [~~46~~] administer programs supporting rural health
8 care as provided by this chapter;

9 (8) [~~47~~] perform research to determine the most
10 beneficial and cost-effective ways to improve the welfare of rural
11 communities;

12 (9) [~~48~~] ensure that the office qualifies as the
13 state's office of rural health for the purpose of receiving grants
14 from the Office of Rural Health Policy of the United States
15 Department of Health and Human Services under 42 U.S.C. Section
16 254r;

17 (10) [~~49~~] manage the state's Medicare rural hospital
18 flexibility program under 42 U.S.C. Section 1395i-4; [~~and~~]

19 (11) [~~410~~] seek state and federal money available for
20 economic development in rural areas for programs under this
21 chapter; and

22 (12) in conjunction with the Department of
23 Agriculture, regularly cross-train office employees with employees
24 of the Department of Agriculture regarding the programs
25 administered and services provided by each agency to rural
26 communities.

27 (b) The office may require office employees who work at

1 locations other than the central office to be based in Department of
2 Agriculture offices.

3 SECTION 10. Section 487.052, Government Code, is amended to
4 read as follows:

5 Sec. 487.052. RULES. The board [~~executive committee~~] may
6 adopt rules as necessary to implement this chapter.

7 SECTION 11. Section 487.053(b), Government Code, is amended
8 to read as follows:

9 (b) All gifts, grants, and donations must be accepted in an
10 open meeting by a majority of the voting members of the board
11 [~~executive committee~~] and reported in the public record of the
12 meeting with the name of the donor and purpose of the gift, grant,
13 or donation.

14 SECTION 12. Section 487.054(b), Government Code, is amended
15 to read as follows:

16 (b) The board [~~executive committee~~] shall call the annual
17 meeting. The board [~~executive committee~~] shall set the time and
18 date of the meeting after consulting with the agency heads listed in
19 Subsection (a).

20 SECTION 13. Section 487.055, Government Code, is amended to
21 read as follows:

22 Sec. 487.055. ADVISORY COMMITTEES. The board [~~executive~~
23 ~~committee~~] may appoint advisory committees as necessary to assist
24 the board [~~executive committee~~] in performing its duties. An
25 advisory committee may be composed of private citizens and
26 representatives from state and local governmental entities. A
27 state or local governmental entity shall appoint a representative

1 to an advisory committee at the request of the board [~~executive~~
2 ~~committee~~]. Chapter 2110 does not apply to an advisory committee
3 created under this section.

4 SECTION 14. Section 487.056, Government Code, is amended by
5 adding Subsection (c) to read as follows:

6 (c) The office shall obtain information on the availability
7 of housing in rural communities throughout the state for all income
8 levels. The office shall include the information, and the office's
9 assessment of the information, in the office's report to the
10 legislature.

11 SECTION 15. Section 487.057(b), Government Code, is amended
12 to read as follows:

13 (b) The office shall submit the rural health work plan to
14 the board [~~executive committee~~] for approval. The board [~~executive~~
15 ~~committee~~] shall approve the rural health work plan not later than
16 August 1 of each odd-numbered year.

17 SECTION 16. Sections 487.059(b), (c), (e), (f), and (g),
18 Government Code, are amended to read as follows:

19 (b) If a member of the board [~~executive committee~~] or a
20 [~~another~~] committee established under this chapter, including an
21 advisory committee, has a financial interest in an entity that
22 applies for a monetary award, the board or committee member shall,
23 before a vote on the monetary award, disclose the fact of the board
24 or committee member's financial interest. The board or committee
25 shall enter the disclosure into the minutes of the meeting at which
26 a vote on the monetary award is taken. The board or committee
27 member may not vote on or otherwise participate in a discussion or

1 any other activity that relates to awarding the monetary award. If
2 the board or committee member does not comply with this subsection,
3 the entity is not eligible for the monetary award.

4 (c) If the executive director or another office employee has
5 a financial interest in an entity that applies for a monetary award,
6 the executive director or employee:

7 (1) shall, as soon as possible, disclose to the board
8 [~~executive committee~~] the fact of the director's or employee's
9 financial interest;

10 (2) may not participate in staff evaluations regarding
11 the monetary award; and

12 (3) if the executive director or employee under office
13 procedures may [has a] vote, or make a recommendation concerning a
14 vote, on a matter that involves the monetary award:

15 (A) shall disclose the fact of the director's or
16 employee's financial interest before a vote on the monetary award,
17 which the board or committee shall enter into the minutes of the
18 meeting at which a vote on the monetary award is taken; and

19 (B) may not vote on or otherwise participate in a
20 discussion or any other activity that relates to awarding the
21 monetary award.

22 (e) Subsections (f) and (g) apply only to a member of the
23 board or a [executive] committee who is employed by:

24 (1) an entity that offers to enter into a contract with
25 the office; or

26 (2) an entity that is under common ownership or
27 governance with or otherwise affiliated with an entity that applies

1 for a monetary award or offers to enter into a contract with the
2 office.

3 (f) The board or ~~[executive]~~ committee member shall, before
4 a vote on the monetary award or contract, disclose the fact of the
5 member's employment by the entity. The board or ~~[executive]~~
6 committee shall enter the disclosure into the minutes of the
7 meeting at which a vote on the monetary award or contract is taken.
8 The board or ~~[executive]~~ committee member may not vote on or
9 otherwise participate in a discussion or any other activity that
10 relates to awarding the monetary award or contract.

11 (g) If the board or ~~[executive]~~ committee member does not
12 comply with Subsection (f), the entity is not eligible to be awarded
13 the monetary award or contract.

14 SECTION 17. Sections 487.103(a), (b), and (c), Government
15 Code, are amended to read as follows:

16 (a) The selection committee shall advise the board
17 ~~[executive committee]~~ on the progress of the program.

18 (b) The selection committee is composed of 12 members
19 appointed by the board ~~[executive committee]~~.

20 (c) The board ~~[executive committee]~~ shall consider
21 geographical representation in making appointments to the
22 selection committee.

23 SECTION 18. Sections 487.104(b) and (d), Government Code,
24 are amended to read as follows:

25 (b) The selection committee shall make selections based on
26 criteria approved by the board ~~[executive committee]~~ and adopted as
27 a rule of the office.

1 (d) The selection committee shall recommend to the board
2 [~~executive committee~~] guidelines to be used by rural communities in
3 the selection of students for nomination and sponsorship as
4 outstanding rural scholars.

5 SECTION 19. Section 487.107, Government Code, is amended to
6 read as follows:

7 Sec. 487.107. AWARDING OF LOANS. (a) The selection
8 committee shall recommend to the board [~~executive committee~~]
9 guidelines for the awarding of forgivable loans to outstanding
10 rural scholars.

11 (b) The board [~~executive committee~~], acting on the advice of
12 the selection committee, shall award forgivable loans to
13 outstanding rural scholars based on the availability of money in
14 the fund.

15 (c) If in any year the fund is inadequate to provide loans to
16 all eligible applicants, the board [~~executive committee~~] shall
17 award forgivable loans on a priority basis according to the
18 applicants' academic performance, test scores, and other criteria
19 of eligibility.

20 SECTION 20. Section 487.108(a), Government Code, is amended
21 to read as follows:

22 (a) On confirmation of an outstanding rural scholar's
23 admission to a postsecondary educational institution, or on receipt
24 of an enrollment report of the scholar at a postsecondary
25 educational institution, and a certification of the amount of
26 financial support needed, the selection committee annually shall
27 recommend to the board [~~executive committee~~] that the board

1 ~~[committee]~~ award a forgivable loan to the scholar in the amount of
2 50 percent of the cost of the scholar's tuition, fees, educational
3 materials, and living expenses.

4 SECTION 21. Sections 487.109(b), (c), and (d), Government
5 Code, are amended to read as follows:

6 (b) The sponsoring community shall report to the board
7 ~~[executive committee]~~ the length of time the scholar practices as a
8 health care professional in the community.

9 (c) If the board ~~[executive committee]~~ finds that a
10 sponsoring community is not in need of the scholar's services and
11 that the community is willing to forgive repayment of the principal
12 balance and interest of the scholar's loan, the board ~~[executive~~
13 ~~committee]~~ by rule may provide for the principal balance and
14 interest of one year of the scholar's loan to be forgiven for each
15 year the scholar practices in another rural community in this
16 state.

17 (d) Any amount of loan principal or interest that is not
18 forgiven under this section shall be repaid to the office with
19 reasonable collection fees in a timely manner as provided by board
20 ~~[executive committee]~~ rule.

21 SECTION 22. Section 487.112, Government Code, is amended to
22 read as follows:

23 Sec. 487.112. ADOPTION AND DISTRIBUTION OF RULES. (a) The
24 board ~~[executive committee]~~ shall adopt reasonable rules to enforce
25 the requirements, conditions, and limitations under this
26 subchapter.

27 (b) The board ~~[executive committee]~~ shall set the rate of

1 interest charged on a forgivable loan under this subchapter.

2 (c) The board [~~executive committee~~] shall adopt rules
3 necessary to ensure compliance with the federal Civil Rights Act of
4 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
5 in admissions.

6 SECTION 23. Section 487.154, Government Code, is amended to
7 read as follows:

8 Sec. 487.154. LOANS. (a) The board [~~executive committee~~]
9 may award forgivable educational loans to eligible students under
10 this subchapter.

11 (b) The board [~~executive committee~~] may award forgivable
12 loans to eligible students based on the availability of money in the
13 fund.

14 (c) If in any year the fund is inadequate to provide loans to
15 all eligible students, the board [~~executive committee~~] may award
16 forgivable loans on a priority basis according to the students'
17 academic performance, test scores, and other criteria of
18 eligibility.

19 SECTION 24. Section 487.155(a), Government Code, is amended
20 to read as follows:

21 (a) To be eligible to receive a loan under this subchapter,
22 a student must:

- 23 (1) be sponsored by an eligible community;
- 24 (2) at the time of the application for the loan, be
25 enrolled in high school or enrolled or accepted for enrollment in a
26 postsecondary educational institution in this state;
- 27 (3) meet academic requirements as established by the

1 board [~~executive committee~~];

2 (4) plan to complete a health care professional degree
3 or certificate program;

4 (5) plan to practice as a health care professional in a
5 qualified area of the state; and

6 (6) meet other requirements as established by the
7 board [~~executive committee~~].

8 SECTION 25. Section 487.156(c), Government Code, is amended
9 to read as follows:

10 (c) The board [~~executive committee~~] shall determine the
11 percentage of educational expenses communities are required to
12 provide under this section.

13 SECTION 26. Section 487.157(a), Government Code, is amended
14 to read as follows:

15 (a) On confirmation of an eligible student's admission to a
16 postsecondary educational institution, or on receipt of an
17 enrollment report of the student at a postsecondary educational
18 institution, and certification of the amount of financial support
19 needed, the board [~~executive committee~~] may award a forgivable loan
20 to the student in the amount of not more than the cost of the
21 student's tuition, fees, educational materials, and living
22 expenses.

23 SECTION 27. Section 487.158(b), Government Code, is amended
24 to read as follows:

25 (b) The contract must provide that if the student does not
26 provide the required services to the community or provides those
27 services for less than the required time, the student is personally

1 liable to the state for:

2 (1) the total amount of assistance the student
3 receives from the office and the sponsoring community;

4 (2) interest on the total amount at a rate set by the
5 board [~~executive committee~~]; and

6 (3) the state's reasonable expenses incurred in
7 obtaining payment, including reasonable attorney's fees.

8 SECTION 28. Section 487.159(b), Government Code, is amended
9 to read as follows:

10 (b) If the board [~~executive committee~~] finds that a
11 sponsoring community is not in need of the student's services and
12 that the community is willing to forgive repayment of the principal
13 balance and interest of the student's loan, the board [~~executive~~
14 ~~committee~~] by rule may provide for the principal balance and
15 interest of the student's loan to be forgiven if the student
16 provides services in another qualified area in this state.

17 SECTION 29. Sections 487.161(b) and (c), Government Code,
18 are amended to read as follows:

19 (b) The sponsoring community shall report to the board
20 [~~executive committee~~] the length of time the student provides
21 health care services in the community in accordance with the
22 guidelines established by the board [~~executive committee~~].

23 (c) A postsecondary educational institution shall provide
24 to the board [~~executive committee~~] a copy of the academic
25 transcript of each student for whom the institution has received a
26 release that complies with state and federal open records laws and
27 that authorizes the provision of the transcript.

1 SECTION 30. Section 487.163, Government Code, is amended to
2 read as follows:

3 Sec. 487.163. ADOPTION OF RULES. (a) The board [~~executive~~
4 ~~committee~~] shall adopt reasonable rules to enforce the
5 requirements, conditions, and limitations of this subchapter.

6 (b) The board [~~executive committee~~] shall set the rate of
7 interest charged on a forgivable loan under this subchapter.

8 (c) The board [~~executive committee~~] shall adopt rules
9 necessary to ensure compliance with the federal Civil Rights Act of
10 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
11 in admissions.

12 SECTION 31. Sections 487.202, 487.203, and 487.204,
13 Government Code, are amended to read as follows:

14 Sec. 487.202. PROGRAM. (a) The board [~~executive~~
15 ~~committee~~] shall establish and administer a program under this
16 subchapter to increase the number of physicians providing primary
17 care in medically underserved communities.

18 (b) A medically underserved community may sponsor a
19 physician who has completed a primary care residency program and
20 has agreed to provide primary care in the community by contributing
21 start-up money for the physician and having that contribution
22 matched wholly or partly by state money appropriated to the office
23 [~~executive committee~~] for that purpose.

24 (c) A participating medically underserved community may
25 provide start-up money to an eligible physician over a two-year
26 period.

27 (d) The office [~~executive committee~~] may not pay more than

1 \$25,000 to a community in a fiscal year unless the board [~~executive~~
2 ~~committee~~] makes a specific finding of need by the community.

3 (e) The board [~~executive committee~~] shall establish
4 priorities so that the neediest communities eligible for assistance
5 under this subchapter are assured the receipt of a grant.

6 Sec. 487.203. ELIGIBILITY. To be eligible to receive money
7 from the office [~~executive committee~~], a medically underserved
8 community must:

9 (1) apply for the money; and

10 (2) provide evidence satisfactory to the board
11 [~~executive committee~~] that it has entered into an agreement with a
12 physician for the physician to provide primary care in the
13 community for at least two years.

14 Sec. 487.204. RULES. The board [~~executive committee~~] shall
15 adopt rules necessary for the administration of this subchapter,
16 including rules addressing:

17 (1) eligibility criteria for a medically underserved
18 community;

19 (2) eligibility criteria for a physician;

20 (3) minimum and maximum community contributions to the
21 start-up money for a physician to be matched with state money;

22 (4) conditions under which state money must be repaid
23 by a community or physician;

24 (5) procedures for disbursement of money by the office
25 [~~executive committee~~];

26 (6) the form and manner in which a community must make
27 its contribution to the start-up money; and

1 (7) the contents of an agreement to be entered into by
2 the parties, which must include at least:

3 (A) a credit check for an eligible physician; and

4 (B) community retention of interest in any
5 property, equipment, or durable goods for seven years.

6 SECTION 32. Section 487.252, Government Code, is amended to
7 read as follows:

8 Sec. 487.252. TEXAS HEALTH SERVICE CORPS PROGRAM. (a) The
9 board [~~executive committee~~] shall establish a program in the office
10 to assist communities in recruiting and retaining physicians to
11 practice in medically underserved areas.

12 (b) The board [~~executive committee~~] by rule shall
13 establish:

14 (1) eligibility criteria for applicants;

15 (2) stipend application procedures;

16 (3) guidelines relating to stipend amounts;

17 (4) procedures for evaluating stipend applications;

18 and

19 (5) a system of priorities relating to the:

20 (A) geographic areas covered;

21 (B) medical specialties eligible to receive
22 funding under the program; and

23 (C) level of stipend support.

24 SECTION 33. Section 487.253(a), Government Code, is amended
25 to read as follows:

26 (a) The board [~~executive committee~~] shall adopt rules
27 necessary to administer this subchapter, and the office shall

1 administer the program in accordance with those rules.

2 SECTION 34. Section 487.351, Government Code, is amended by
3 adding Subsection (c) to read as follows:

4 (c) The office shall give priority to eligible activities in
5 the areas of economic development, community development, rural
6 health, and rural housing to support workforce development in
7 awarding funding for community development block grant programs.

8 SECTION 35. Subchapter I, Chapter 487, Government Code, is
9 amended by adding Section 487.3515 to read as follows:

10 Sec. 487.3515. EVALUATION OF COMMUNITY DEVELOPMENT BLOCK
11 GRANT PROGRAM. (a) The office, in consultation with the Department
12 of Agriculture, shall review and evaluate the administration of the
13 state's allocation of federal funds under the community development
14 block grant nonentitlement program and, based on the results of the
15 evaluation, streamline administration of the program and program
16 requirements. The office shall, at a minimum, evaluate:

17 (1) combining program fund categories, within
18 allowable limits provided by state statute, the General
19 Appropriations Act, and federal law and regulations;

20 (2) simplifying the grant application and scoring
21 process; and

22 (3) regularly reviewing and closing out aged
23 contracts.

24 (b) The office shall implement program changes resulting
25 from the evaluation that do not require statutory changes as soon as
26 possible, but not later than the date the office publishes the next
27 community development block grant nonentitlement program action

1 plan.

2 (c) The office shall include the findings from the
3 evaluation, program changes resulting from the evaluation, and any
4 statutory changes needed to make additional changes in the agency's
5 biennial report to the 81st Legislature.

6 (d) This section expires September 1, 2009.

7 SECTION 36. Section 487.353, Government Code, is amended by
8 amending Subsections (i) and (j) and adding Subsections (k) and (l)
9 to read as follows:

10 (i) The committee shall:

11 (1) consult with and advise the executive director on
12 the administration and enforcement of the community development
13 block grant program; and

14 (2) in consultation with the executive director and
15 office staff, review and approve grant and loan [funding]
16 applications and associated funding awards of eligible counties and
17 municipalities and advise and assist the executive director
18 regarding the allocation of program funds to those applicants.

19 (j) The committee may annually recommend to the executive
20 director a formula for allocating funds to each geographic state
21 planning region established by the governor under Chapter 391,
22 Local Government Code. The formula must give preference to regions
23 according to the regions' needs.

24 (k) An applicant for a grant, loan, or award under a
25 community development block grant program may appeal a decision of
26 the committee by filing a complaint with the board. The board shall
27 hold a hearing on a complaint filed with the board under this

1 subsection and render a decision.

2 (1) The committee is a governmental body for purposes of the
3 open meetings law, Chapter 551.

4 SECTION 37. Section 487.401, Government Code, is amended to
5 read as follows:

6 Sec. 487.401. ADMINISTRATION. (a) The board [~~executive~~
7 ~~committee~~] shall adopt rules that establish a procedure for
8 designating a hospital as a rural hospital in order for the hospital
9 to qualify for federal funds under 42 C.F.R. Part 412.

10 (b) At the hospital's request, the office shall designate
11 the hospital as a rural hospital if the hospital meets the
12 requirements for a rural hospital under the board's [~~executive~~
13 ~~committee's~~] rules.

14 SECTION 38. Section 487.451(1), Government Code, is amended
15 to read as follows:

16 (1) "Health care professional" means:

- 17 (A) an advanced nurse practitioner;
- 18 (B) a dentist;
- 19 (C) a dental hygienist;
- 20 (D) a laboratory technician;
- 21 (E) a licensed vocational nurse;
- 22 (F) a licensed professional counselor;
- 23 (G) a medical radiological technologist;
- 24 (H) an occupational therapist;
- 25 (I) a pharmacist;
- 26 (J) a physical therapist;
- 27 (K) a physician;

1 (L) a physician assistant;
2 (M) a psychologist;
3 (N) a registered nurse;
4 (O) a social worker;
5 (P) a speech-language pathologist;
6 (Q) a veterinarian;
7 (R) a chiropractor; and
8 (S) another appropriate health care professional
9 identified by the board [~~executive committee~~].

10 SECTION 39. Section 487.452(a), Government Code, is amended
11 to read as follows:

12 (a) The board [~~executive committee~~], in collaboration with
13 Area Health Education Center Programs, shall establish a community
14 healthcare awareness and mentoring program for students to:

15 (1) identify high school students in rural and
16 underserved urban areas who are interested in serving those areas
17 as health care professionals;

18 (2) identify health care professionals in rural and
19 underserved urban areas to act as positive role models, mentors, or
20 reference resources for the interested high school students;

21 (3) introduce interested high school students to the
22 spectrum of professional health care careers through activities
23 such as health care camps and shadowing of health care
24 professionals;

25 (4) encourage a continued interest in service as
26 health care professionals in rural and underserved urban areas by
27 providing mentors and community resources for students

1 participating in training or educational programs to become health
2 care professionals; and

3 (5) provide continuing community-based support for
4 students during the period the students are attending training or
5 educational programs to become health care professionals,
6 including summer job opportunities and opportunities to mentor high
7 school students in the community.

8 SECTION 40. Section 487.454, Government Code, is amended to
9 read as follows:

10 Sec. 487.454. GRANTS; ELIGIBILITY. (a) Subject to
11 available funds, the board [~~executive committee~~] shall develop and
12 implement, as a component of the program, a grant program to support
13 employment opportunities in rural and underserved urban areas in
14 this state for students participating in training or educational
15 programs to become health care professionals.

16 (b) In awarding grants under the program, the board
17 [~~executive committee~~] shall give first priority to grants to
18 training or educational programs that provide internships to
19 students.

20 (c) To be eligible to receive a grant under the grant
21 program, a person must:

22 (1) apply for the grant on a form adopted by the board
23 [~~executive committee~~];

24 (2) be enrolled or intend to be enrolled in a training
25 or educational program to become a health care professional;

26 (3) commit to practice or work, after licensure as a
27 health care professional, for at least one year as a health care

1 professional in a rural or underserved urban area in this state; and

2 (4) comply fully with any practice or requirements
3 associated with any scholarship, loan, or other similar benefit
4 received by the student.

5 (d) As a condition of receiving a grant under the program
6 the student must agree to repay the amount of the grant, plus a
7 penalty in an amount established by rule of the board [~~executive~~
8 ~~committee~~] not to exceed two times the amount of the grant, if the
9 student becomes licensed as a health care professional and fails to
10 practice or work for at least one year as a health care professional
11 in a rural or underserved urban area in this state.

12 SECTION 41. Section 487.553, Government Code, is amended to
13 read as follows:

14 Sec. 487.553. LOAN REIMBURSEMENT PROGRAM. The board
15 [~~executive committee~~] shall establish a program in the office to
16 assist communities in recruiting health professionals to practice
17 in medically underserved communities by providing loan
18 reimbursement for health professionals who serve in those
19 communities.

20 SECTION 42. Section 487.554(a), Government Code, is amended
21 to read as follows:

22 (a) The board [~~executive committee~~] shall establish a
23 program in the office to assist communities in recruiting health
24 professionals to practice in medically underserved communities by
25 providing a stipend to health professionals who agree to serve in
26 those communities.

27 SECTION 43. Section 487.555(e), Government Code, is amended

1 to read as follows:

2 (e) A contract under this section must provide that a health
3 professional who does not provide the required services to the
4 community or provides those services for less than the required
5 time is personally liable to the state for:

6 (1) the total amount of assistance the health
7 professional received from the office and the medically underserved
8 community;

9 (2) interest on the amount under Subdivision (1) at a
10 rate set by the board [~~executive committee~~];

11 (3) the state's reasonable expenses incurred in
12 obtaining payment, including reasonable attorney's fees; and

13 (4) a penalty as established by the board [~~executive~~
14 ~~committee~~] by rule to help ensure compliance with the contract.

15 SECTION 44. Section 487.556, Government Code, is amended to
16 read as follows:

17 Sec. 487.556. POWERS AND DUTIES OF OFFICE. (a) The board
18 [~~executive committee~~] shall adopt rules necessary for the
19 administration of this subchapter, including guidelines for:

20 (1) developing contracts under which loan
21 reimbursement or stipend recipients provide services to qualifying
22 communities;

23 (2) identifying the duties of the state, state agency,
24 loan reimbursement or stipend recipient, and medically underserved
25 community under the loan reimbursement or stipend contract;

26 (3) determining a rate of interest to be charged under
27 Section 487.555(e)(2);

1 (4) ensuring that a loan reimbursement or stipend
2 recipient provides access to health services to participants in
3 government-funded health benefits programs in qualifying
4 communities;

5 (5) encouraging the use of telecommunications or
6 telemedicine, as appropriate;

7 (6) prioritizing the provision of loan reimbursements
8 and stipends to health professionals who are not eligible for any
9 other state loan forgiveness, loan repayment, or stipend program;

10 (7) prioritizing the provision of loan reimbursements
11 and stipends to health professionals who are graduates of health
12 professional degree programs in this state;

13 (8) encouraging a medically underserved community
14 served by a loan reimbursement or stipend recipient to contribute
15 to the cost of the loan reimbursement or stipend when making a
16 contribution is feasible; and

17 (9) requiring a medically underserved community
18 served by a loan reimbursement or stipend recipient to assist the
19 office in contracting with the loan reimbursement or stipend
20 recipient who will serve that community.

21 (b) The board [~~executive committee~~] by rule may designate
22 areas of the state as medically underserved communities.

23 (c) The board [~~executive committee~~] shall make reasonable
24 efforts to contract with health professionals from a variety of
25 different health professions.

26 SECTION 45. Section 487.608(a), Government Code, is amended
27 to read as follows:

1 (a) The rural physician relief advisory committee is
2 composed of the following members appointed by the board [~~executive~~
3 ~~committee~~]:

4 (1) a physician who practices in the area of general
5 family medicine in a rural county;

6 (2) a physician who practices in the area of general
7 internal medicine in a rural county;

8 (3) a physician who practices in the area of general
9 pediatrics in a rural county;

10 (4) a representative from an accredited Texas medical
11 school;

12 (5) a program director from an accredited primary care
13 residency program;

14 (6) a representative from the Texas Higher Education
15 Coordinating Board; and

16 (7) a representative from the Texas [~~State Board of~~
17 Medical Board ~~Examiners~~].

18 SECTION 46. Section 110.003(a), Health and Safety Code, is
19 amended to read as follows:

20 (a) The Rural Foundation is governed by a board of five
21 directors appointed by the board [~~executive committee~~] of the
22 Office of Rural Community Affairs from individuals recommended by
23 the executive director of the Office of Rural Community Affairs.

24 SECTION 47. Section 110.010, Health and Safety Code, is
25 amended to read as follows:

26 Sec. 110.010. MEMORANDUM OF UNDERSTANDING. The Rural
27 Foundation and the Office of Rural Community Affairs shall enter

1 into a memorandum of understanding that:

2 (1) requires the board of directors and staff of the
3 foundation to report to the executive director and board [~~executive~~
4 ~~committee~~] of the Office of Rural Community Affairs;

5 (2) allows the Office of Rural Community Affairs to
6 provide staff functions to the foundation;

7 (3) allows the Office of Rural Community Affairs to
8 expend funds on the foundation; and

9 (4) outlines the financial contributions to be made to
10 the foundation from funds obtained from grants and other sources.

11 SECTION 48. (a) The nine members of the executive committee
12 of the Office of Rural Community Affairs who are serving
13 immediately before September 1, 2007, continue to serve as members
14 of the governing board of the office on and after that date
15 regardless of whether those members meet the membership
16 requirements prescribed by Subchapter B, Chapter 487, Government
17 Code, as amended by this Act. However, the positions of those nine
18 members are abolished on the date on which a majority of the 11
19 board membership positions that are created under Section 487.021,
20 Government Code, as amended by this Act, are filled and the
21 appointees qualify for office.

22 (b) The governor, the lieutenant governor, and the speaker
23 of the house of representatives shall make the 10 appointments to
24 the board under Section 487.021, Government Code, as amended by
25 this Act, as soon as possible on or after September 1, 2007. In
26 making the initial appointments, the governor shall designate two
27 members for terms expiring February 1, 2009, one member for a term

1 expiring February 1, 2011, and one member for a term expiring
2 February 1, 2013. In making the initial appointments, the
3 lieutenant governor and the speaker of the house shall each
4 designate one nonlegislative member for a term expiring February 1,
5 2011, and one nonlegislative member for a term expiring February 1,
6 2013. Any person who served as a member of the executive committee
7 before September 1, 2007, may be appointed to the board.

8 SECTION 49. This Act takes effect immediately if it
9 receives a vote of two-thirds of all the members elected to each
10 house, as provided by Section 39, Article III, Texas Constitution.
11 If this Act does not receive the vote necessary for immediate
12 effect, this Act takes effect September 1, 2007.

SECOND READING
ENGROSSMENT

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et al.

H.B. No. 2542

A BILL TO BE ENTITLED

AN ACT

relating to the continuation and functions of the Office of Rural
Community Affairs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 487.001(1), Government Code, is amended
to read as follows:

(1) "Board" [~~"Executive committee"~~] means the board
[~~executive committee~~] of the Office of Rural Community Affairs.

SECTION 2. Section 487.002, Government Code, is amended to
read as follows:

Sec. 487.002. SUNSET PROVISION. The Office of Rural
Community Affairs is subject to Chapter 325 (Texas Sunset Act).
Unless continued in existence as provided by that chapter, the
office is abolished and this chapter expires September 1, 2015
[~~2007~~].

SECTION 3. Section 487.021, Government Code, is amended to
read as follows:

Sec. 487.021. BOARD [~~EXECUTIVE COMMITTEE~~]. (a) The board
[~~executive committee~~] is the governing body of the office.

(b) The board [~~executive committee~~] is composed of the
following 11 [~~nine~~] members:

(1) four [~~three~~] members who represent different
geographic regions of the state appointed by the governor,
including:

1 (A) two locally elected rural city or county
2 officials or city or county employees involved with rural
3 development; and

4 (B) two public members each of whom resides in a
5 rural city or county;

6 (2) three members appointed by the lieutenant
7 governor, including:

8 (A) one senator who resides in a rural city or
9 county; and

10 (B) two public members each of whom resides in a
11 rural city or county and is interested in rural issues; [and]

12 (3) three members appointed by the speaker of the
13 house of representatives, including:

14 (A) one member of the house of representatives
15 who resides in a rural city or county; and

16 (B) two public members each of whom resides in a
17 rural city or county and is interested in rural issues; and

18 (4) the commissioner of agriculture or the
19 commissioner's designee.

20 (b-1) The two board members who are members of the
21 legislature are nonvoting members.

22 (c) In this section, "rural city or county" means a rural
23 city or county as defined by the federal community development
24 block grant nonentitlement program. [The governor, the lieutenant
25 governor, and the speaker of the house of representatives shall
26 each appoint at least two members who possess a strong
27 understanding of and commitment to rural interests based on the

1 ~~individual's personal history, including residency, occupation,~~
2 ~~and business or civic activities.]~~

3 (d) Appointments to the board ~~[executive committee]~~ shall
4 be made without regard to the race, color, disability, sex,
5 religion, age, or national origin of the appointees.

6 (e) The members of the board who are not serving as an
7 additional duty of an office in state government ~~[executive~~
8 ~~committee]~~ serve for staggered six-year terms, with the terms of
9 two or three members expiring February 1 of each odd-numbered year.
10 A member of the legislature serves at the will of the appointing
11 authority.

12 (f) Board ~~[Executive committee]~~ members receive no
13 compensation but are entitled to reimbursement of actual and
14 necessary expenses incurred in the performance of their duties.

15 (g) The governor shall designate a member ~~[The members]~~ of
16 the board as the ~~[executive committee annually shall elect a]~~
17 presiding officer ~~[from among the members]~~ of the board to serve in
18 that capacity at the will of the governor ~~[executive committee].~~

19 (h) Service on the board by a member of the legislature, the
20 commissioner of agriculture, or an officer of a county or
21 municipality is an additional duty of the individual's office.

22 SECTION 4. Sections 487.022(b) and (c), Government Code,
23 are amended to read as follows:

24 (b) A person may not be a member of the board ~~[executive~~
25 ~~committee]~~ and may not be an office employee employed in a "bona
26 fide executive, administrative, or professional capacity," as that
27 phrase is used for purposes of establishing an exemption to the

overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.) and its subsequent amendments, if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in the field of rural affairs; or

(2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the field of rural affairs.

(c) A person may not be a member of the board ~~[executive committee]~~ or act as the general counsel to the board ~~[executive committee]~~ or the office if the person is required to register as a lobbyist under Chapter 305 because of the person's activities for compensation on behalf of a profession related to the operation of the office.

SECTION 5. Sections 487.023 through 487.027, Government Code, are amended to read as follows:

Sec. 487.023. TRAINING FOR MEMBERS OF BOARD ~~[EXECUTIVE COMMITTEE]~~. (a) A person who is appointed to and qualifies for office as a member of the board ~~[executive committee]~~ may not vote, deliberate, or be counted as a member in attendance at a meeting of the board ~~[executive committee]~~ until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

(1) the legislation that created the office ~~[and the executive committee]~~;

(2) the programs, ~~[operated by the office,~~

1 ~~[(3) the role and]~~ functions, ~~[of the office,~~
2 ~~[(4) the]~~ rules, ~~[of the office, with an emphasis on~~
3 ~~any rules that relate to disciplinary]~~ and ~~[investigatory~~
4 ~~authority,~~

5 ~~[(5) the current]~~ budget of ~~[for]~~ the office;
6 (3) ~~[(6)]~~ the results of the most recent formal audit
7 of the office;

8 (4) ~~[(7)]~~ the requirements of laws relating to ~~[+~~
9 ~~[(A) the]~~ open meetings ~~[law], [Chapter 551,~~
10 ~~[(B) the]~~ public information ~~[law], [Chapter~~
11 ~~552,~~

12 ~~[(C) the]~~ administrative procedure ~~[law],~~
13 ~~[Chapter 2001,~~ and conflicts of interest

14 ~~[(D) other laws relating to public officials,~~
15 ~~including conflict-of-interest laws]; and~~

16 (5) ~~[(8)]~~ any applicable ethics policies adopted by
17 the office ~~[executive committee]~~ or the Texas Ethics Commission.

18 (c) A person appointed to the board ~~[executive committee]~~ is
19 entitled to reimbursement, as provided by ~~[general law and]~~ the
20 General Appropriations Act, for the travel expenses incurred in
21 attending the training program regardless of whether the attendance
22 at the program occurs before or after the person qualifies for
23 office.

24 Sec. 487.024. REMOVAL. (a) It is a ground for removal from
25 the board ~~[executive committee]~~ that a member:

26 (1) does not have at the time of taking office the
27 qualifications required by Section 487.021;

1 (2) does not maintain during service on the board
2 ~~[executive committee]~~ the qualifications required by Section
3 487.021;

4 (3) is ineligible for membership under Section
5 487.022;

6 (4) cannot, because of illness or disability,
7 discharge the member's duties for a substantial part of the member's
8 term; or

9 (5) is absent from more than half of the regularly
10 scheduled board ~~[executive committee]~~ meetings that the member is
11 eligible to attend during a calendar year without an excuse
12 approved by a majority vote of the board ~~[executive committee]~~.

13 (b) The validity of an action of the board ~~[executive~~
14 ~~committee]~~ is not affected by the fact that it is taken when a
15 ground for removal of a board ~~[an executive committee]~~ member
16 exists.

17 (c) If the executive director has knowledge that a potential
18 ground for removal exists, the executive director shall notify the
19 presiding officer of the board ~~[executive committee]~~ of the
20 potential ground. The presiding officer shall then notify the
21 appointing authority ~~[governor]~~ and the attorney general that a
22 potential ground for removal exists. If the potential ground for
23 removal involves the presiding officer, the executive director
24 shall notify the next highest ranking officer of the board
25 ~~[executive committee]~~, who shall then notify the appointing
26 authority ~~[governor]~~ and the attorney general that a potential
27 ground for removal exists.

1 Sec. 487.025. DIVISION OF RESPONSIBILITY. The board
2 ~~[executive committee]~~ shall develop and implement policies that
3 clearly separate the policy-making responsibilities of the board
4 ~~[executive committee]~~ and the management responsibilities of the
5 executive director and staff of the office.

6 Sec. 487.026. EXECUTIVE DIRECTOR. (a) The board
7 ~~[executive committee]~~ may hire an executive director to serve as
8 the chief executive officer of the office and to perform the
9 administrative duties of the office.

10 (b) The executive director serves at the will of the board
11 ~~[executive committee]~~.

12 (c) The executive director may hire staff within guidelines
13 established by the board ~~[executive committee]~~.

14 Sec. 487.027. PUBLIC HEARINGS. The board ~~[executive~~
15 ~~committee]~~ shall develop and implement policies that provide the
16 public with a reasonable opportunity to appear before the board
17 ~~[executive committee]~~ and to speak on any issue under the
18 jurisdiction of the office.

19 SECTION 6. Section 487.029, Government Code, is amended to
20 read as follows:

21 Sec. 487.029. STANDARDS OF CONDUCT. The executive director
22 or the executive director's designee shall provide to members of
23 the board ~~[executive committee]~~ and to agency employees, as often
24 as necessary, information regarding the requirements for office or
25 employment under this chapter, including information regarding a
26 person's responsibilities under applicable laws relating to
27 standards of conduct for state officers or employees.

SECTION 7. Section 487.030, Government Code, is amended to read as follows:

Sec. 487.030. COMPLAINTS. (a) The office shall maintain a system to promptly and efficiently act on complaints ~~[file on each written complaint]~~ filed with the office. The office shall maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition ~~[The file must include:~~

~~[(1) the name of the person who filed the complaint,~~
~~[(2) the date the complaint is received by the office,~~
~~[(3) the subject matter of the complaint,~~
~~[(4) the name of each person contacted in relation to the complaint,~~
~~[(5) a summary of the results of the review or investigation of the complaint, and~~
~~[(6) an explanation of the reason the file was closed, if the office closed the file without taking action other than to investigate the complaint].~~

(b) The office shall make information available describing its ~~[provide to the person filing the complaint and to each person who is a subject of the complaint a copy of the office's policies and]~~ procedures for ~~[relating to]~~ complaint investigation and resolution.

(c) The office~~[, at least quarterly until final disposition of the complaint,~~] shall periodically notify the complaint parties ~~[person filing the complaint and each person who is a subject of the~~

1 ~~complaint~~] of the status of the complaint until final disposition
2 ~~[investigation unless the notice would jeopardize an undercover~~
3 ~~investigation]~~.

4 SECTION 8. Subchapter B, Chapter 487, Government Code, is
5 amended by adding Sections 487.031 and 487.032 to read as follows:

6 Sec. 487.031. USE OF TECHNOLOGY. The board shall implement
7 a policy requiring the office to use appropriate technological
8 solutions to improve the office's ability to perform its functions.
9 The policy must ensure that the public is able to interact with the
10 office on the Internet.

11 Sec. 487.032. NEGOTIATED RULEMAKING AND ALTERNATIVE
12 DISPUTE RESOLUTION PROCEDURES. (a) The board shall develop and
13 implement a policy to encourage the use of:

14 (1) negotiated rulemaking procedures under Chapter
15 2008 for the adoption of office rules; and

16 (2) appropriate alternative dispute resolution
17 procedures under Chapter 2009 to assist in the resolution of
18 internal and external disputes under the office's jurisdiction.

19 (b) The office's procedures relating to alternative dispute
20 resolution must conform, to the extent possible, to any model
21 guidelines issued by the State Office of Administrative Hearings
22 for the use of alternative dispute resolution by state agencies.

23 (c) The board shall designate a trained person to:

24 (1) coordinate the implementation of the policy
25 adopted under Subsection (a);

26 (2) serve as a resource for any training needed to
27 implement the procedures for negotiated rulemaking or alternative

1 dispute resolution; and

2 (3) collect data concerning the effectiveness of those
3 procedures, as implemented by the office.

4 SECTION 9. Section 487.051, Government Code, is amended to
5 read as follows:

6 Sec. 487.051. POWERS AND DUTIES. (a) The office shall:

7 (1) assist rural communities in the key areas of
8 economic development, community development, rural health, and
9 rural housing [~~develop a rural policy for the state in consultation~~
10 ~~with local leaders representing all facets of rural community life,~~
11 ~~academic and industry experts, and state elected and appointed~~
12 ~~officials with interests in rural communities~~];

13 (2) serve as a clearinghouse for information and
14 resources on all state and federal programs affecting rural
15 communities [~~work with other state agencies and officials to~~
16 ~~improve the results and the cost-effectiveness of state programs~~
17 ~~affecting rural communities through coordination of efforts~~];

18 (3) in consultation with rural community leaders,
19 locally elected officials, state elected and appointed officials,
20 academic and industry experts, and the interagency work group
21 created under this chapter, identify and prioritize policy issues
22 and concerns affecting rural communities in the state [~~develop~~
23 ~~programs to improve the leadership capacity of rural community~~
24 ~~leaders~~];

25 (4) make recommendations to the legislature to address
26 the concerns affecting rural communities identified under
27 Subdivision (3);

1 (5) monitor developments that have a substantial
2 effect on rural Texas communities, especially actions of state
3 government, and compile an annual report describing and evaluating
4 the condition of rural communities;

5 (6) [~~45~~] administer the federal community
6 development block grant nonentitlement program;

7 (7) [~~46~~] administer programs supporting rural health
8 care as provided by this chapter;

9 (8) [~~47~~] perform research to determine the most
10 beneficial and cost-effective ways to improve the welfare of rural
11 communities;

12 (9) [~~48~~] ensure that the office qualifies as the
13 state's office of rural health for the purpose of receiving grants
14 from the Office of Rural Health Policy of the United States
15 Department of Health and Human Services under 42 U.S.C. Section
16 254r;

17 (10) [~~49~~] manage the state's Medicare rural hospital
18 flexibility program under 42 U.S.C. Section 1395i-4; [~~and~~]

19 (11) [~~410~~] seek state and federal money available for
20 economic development in rural areas for programs under this
21 chapter; and

22 (12) in conjunction with the Department of
23 Agriculture, regularly cross-train office employees with employees
24 of the Department of Agriculture regarding the programs
25 administered and services provided by each agency to rural
26 communities.

27 (b) The office may require office employees who work at

1 locations other than the central office to be based in Department of
2 Agriculture offices.

3 SECTION 10. Section 487.052, Government Code, is amended to
4 read as follows:

5 Sec. 487.052. RULES. The board [~~executive committee~~] may
6 adopt rules as necessary to implement this chapter.

7 SECTION 11. Section 487.053(b), Government Code, is amended
8 to read as follows:

9 (b) All gifts, grants, and donations must be accepted in an
10 open meeting by a majority of the voting members of the board
11 [~~executive committee~~] and reported in the public record of the
12 meeting with the name of the donor and purpose of the gift, grant,
13 or donation.

14 SECTION 12. Section 487.054(b), Government Code, is amended
15 to read as follows:

16 (b) The board [~~executive committee~~] shall call the annual
17 meeting. The board [~~executive committee~~] shall set the time and
18 date of the meeting after consulting with the agency heads listed in
19 Subsection (a).

20 SECTION 13. Section 487.055, Government Code, is amended to
21 read as follows:

22 Sec. 487.055. ADVISORY COMMITTEES. The board [~~executive~~
23 ~~committee~~] may appoint advisory committees as necessary to assist
24 the board [~~executive committee~~] in performing its duties. An
25 advisory committee may be composed of private citizens and
26 representatives from state and local governmental entities. A
27 state or local governmental entity shall appoint a representative

1 to an advisory committee at the request of the board [~~executive~~
2 ~~committee~~]. Chapter 2110 does not apply to an advisory committee
3 created under this section.

4 SECTION 14. Section 487.056, Government Code, is amended by
5 adding Subsection (c) to read as follows:

6 (c) The office shall obtain information on the availability
7 of housing in rural communities throughout the state for all income
8 levels. The office shall include the information, and the office's
9 assessment of the information, in the office's report to the
10 legislature.

11 SECTION 15. Section 487.057(b), Government Code, is amended
12 to read as follows:

13 (b) The office shall submit the rural health work plan to
14 the board [~~executive committee~~] for approval. The board [~~executive~~
15 ~~committee~~] shall approve the rural health work plan not later than
16 August 1 of each odd-numbered year.

17 SECTION 16. Sections 487.059(b), (c), (e), (f), and (g),
18 Government Code, are amended to read as follows:

19 (b) If a member of the board [~~executive committee~~] or a
20 [~~another~~] committee established under this chapter, including an
21 advisory committee, has a financial interest in an entity that
22 applies for a monetary award, the board or committee member shall,
23 before a vote on the monetary award, disclose the fact of the board
24 or committee member's financial interest. The board or committee
25 shall enter the disclosure into the minutes of the meeting at which
26 a vote on the monetary award is taken. The board or committee
27 member may not vote on or otherwise participate in a discussion or

1 any other activity that relates to awarding the monetary award. If
2 the board or committee member does not comply with this subsection,
3 the entity is not eligible for the monetary award.

4 (c) If the executive director or another office employee has
5 a financial interest in an entity that applies for a monetary award,
6 the executive director or employee:

7 (1) shall, as soon as possible, disclose to the board
8 [~~executive committee~~] the fact of the director's or employee's
9 financial interest;

10 (2) may not participate in staff evaluations regarding
11 the monetary award; and

12 (3) if the executive director or employee under office
13 procedures may [has a] vote, or make a recommendation concerning a
14 vote, on a matter that involves the monetary award:

15 (A) shall disclose the fact of the director's or
16 employee's financial interest before a vote on the monetary award,
17 which the board or committee shall enter into the minutes of the
18 meeting at which a vote on the monetary award is taken; and

19 (B) may not vote on or otherwise participate in a
20 discussion or any other activity that relates to awarding the
21 monetary award.

22 (e) Subsections (f) and (g) apply only to a member of the
23 board or a [~~executive~~] committee who is employed by:

24 (1) an entity that offers to enter into a contract with
25 the office; or

26 (2) an entity that is under common ownership or
27 governance with or otherwise affiliated with an entity that applies

1 for a monetary award or offers to enter into a contract with the
2 office.

3 (f) The board or ~~[executive]~~ committee member shall, before
4 a vote on the monetary award or contract, disclose the fact of the
5 member's employment by the entity. The board or ~~[executive]~~
6 committee shall enter the disclosure into the minutes of the
7 meeting at which a vote on the monetary award or contract is taken.
8 The board or ~~[executive]~~ committee member may not vote on or
9 otherwise participate in a discussion or any other activity that
10 relates to awarding the monetary award or contract.

11 (g) If the board or ~~[executive]~~ committee member does not
12 comply with Subsection (f), the entity is not eligible to be awarded
13 the monetary award or contract.

14 SECTION 17. Sections 487.103(a), (b), and (c), Government
15 Code, are amended to read as follows:

16 (a) The selection committee shall advise the board
17 ~~[executive committee]~~ on the progress of the program.

18 (b) The selection committee is composed of 12 members
19 appointed by the board ~~[executive committee]~~.

20 (c) The board ~~[executive committee]~~ shall consider
21 geographical representation in making appointments to the
22 selection committee.

23 SECTION 18. Sections 487.104(b) and (d), Government Code,
24 are amended to read as follows:

25 (b) The selection committee shall make selections based on
26 criteria approved by the board ~~[executive committee]~~ and adopted as
27 a rule of the office.

1 (d) The selection committee shall recommend to the board
2 [~~executive committee~~] guidelines to be used by rural communities in
3 the selection of students for nomination and sponsorship as
4 outstanding rural scholars.

5 SECTION 19. Section 487.107, Government Code, is amended to
6 read as follows:

7 Sec. 487.107. AWARDING OF LOANS. (a) The selection
8 committee shall recommend to the board [~~executive committee~~]
9 guidelines for the awarding of forgivable loans to outstanding
10 rural scholars.

11 (b) The board [~~executive committee~~], acting on the advice of
12 the selection committee, shall award forgivable loans to
13 outstanding rural scholars based on the availability of money in
14 the fund.

15 (c) If in any year the fund is inadequate to provide loans to
16 all eligible applicants, the board [~~executive committee~~] shall
17 award forgivable loans on a priority basis according to the
18 applicants' academic performance, test scores, and other criteria
19 of eligibility.

20 SECTION 20. Section 487.108(a), Government Code, is amended
21 to read as follows:

22 (a) On confirmation of an outstanding rural scholar's
23 admission to a postsecondary educational institution, or on receipt
24 of an enrollment report of the scholar at a postsecondary
25 educational institution, and a certification of the amount of
26 financial support needed, the selection committee annually shall
27 recommend to the board [~~executive committee~~] that the board

1 ~~[committee]~~ award a forgivable loan to the scholar in the amount of
2 50 percent of the cost of the scholar's tuition, fees, educational
3 materials, and living expenses.

4 SECTION 21. Sections 487.109(b), (c), and (d), Government
5 Code, are amended to read as follows:

6 (b) The sponsoring community shall report to the board
7 ~~[executive committee]~~ the length of time the scholar practices as a
8 health care professional in the community.

9 (c) If the board ~~[executive committee]~~ finds that a
10 sponsoring community is not in need of the scholar's services and
11 that the community is willing to forgive repayment of the principal
12 balance and interest of the scholar's loan, the board ~~[executive~~
13 ~~committee]~~ by rule may provide for the principal balance and
14 interest of one year of the scholar's loan to be forgiven for each
15 year the scholar practices in another rural community in this
16 state.

17 (d) Any amount of loan principal or interest that is not
18 forgiven under this section shall be repaid to the office with
19 reasonable collection fees in a timely manner as provided by board
20 ~~[executive committee]~~ rule.

21 SECTION 22. Section 487.112, Government Code, is amended to
22 read as follows:

23 Sec. 487.112. ADOPTION AND DISTRIBUTION OF RULES. (a) The
24 board ~~[executive committee]~~ shall adopt reasonable rules to enforce
25 the requirements, conditions, and limitations under this
26 subchapter.

27 (b) The board ~~[executive committee]~~ shall set the rate of

1 interest charged on a forgivable loan under this subchapter.

2 (c) The board [~~executive committee~~] shall adopt rules
3 necessary to ensure compliance with the federal Civil Rights Act of
4 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
5 in admissions.

6 SECTION 23. Section 487.154, Government Code, is amended to
7 read as follows:

8 Sec. 487.154. LOANS. (a) The board [~~executive committee~~]
9 may award forgivable educational loans to eligible students under
10 this subchapter.

11 (b) The board [~~executive committee~~] may award forgivable
12 loans to eligible students based on the availability of money in the
13 fund.

14 (c) If in any year the fund is inadequate to provide loans to
15 all eligible students, the board [~~executive committee~~] may award
16 forgivable loans on a priority basis according to the students'
17 academic performance, test scores, and other criteria of
18 eligibility.

19 SECTION 24. Section 487.155(a), Government Code, is amended
20 to read as follows:

21 (a) To be eligible to receive a loan under this subchapter,
22 a student must:

- 23 (1) be sponsored by an eligible community;
24 (2) at the time of the application for the loan, be
25 enrolled in high school or enrolled or accepted for enrollment in a
26 postsecondary educational institution in this state;
27 (3) meet academic requirements as established by the

1 board [~~executive committee~~];

2 (4) plan to complete a health care professional degree
3 or certificate program;

4 (5) plan to practice as a health care professional in a
5 qualified area of the state; and

6 (6) meet other requirements as established by the
7 board [~~executive committee~~].

8 SECTION 25. Section 487.156(c), Government Code, is amended
9 to read as follows:

10 (c) The board [~~executive committee~~] shall determine the
11 percentage of educational expenses communities are required to
12 provide under this section.

13 SECTION 26. Section 487.157(a), Government Code, is amended
14 to read as follows:

15 (a) On confirmation of an eligible student's admission to a
16 postsecondary educational institution, or on receipt of an
17 enrollment report of the student at a postsecondary educational
18 institution, and certification of the amount of financial support
19 needed, the board [~~executive committee~~] may award a forgivable loan
20 to the student in the amount of not more than the cost of the
21 student's tuition, fees, educational materials, and living
22 expenses.

23 SECTION 27. Section 487.158(b), Government Code, is amended
24 to read as follows:

25 (b) The contract must provide that if the student does not
26 provide the required services to the community or provides those
27 services for less than the required time, the student is personally

1 liable to the state for:

2 (1) the total amount of assistance the student
3 receives from the office and the sponsoring community;

4 (2) interest on the total amount at a rate set by the
5 board [~~executive committee~~]; and

6 (3) the state's reasonable expenses incurred in
7 obtaining payment, including reasonable attorney's fees.

8 SECTION 28. Section 487.159(b), Government Code, is amended
9 to read as follows:

10 (b) If the board [~~executive committee~~] finds that a
11 sponsoring community is not in need of the student's services and
12 that the community is willing to forgive repayment of the principal
13 balance and interest of the student's loan, the board [~~executive~~
14 ~~committee~~] by rule may provide for the principal balance and
15 interest of the student's loan to be forgiven if the student
16 provides services in another qualified area in this state.

17 SECTION 29. Sections 487.161(b) and (c), Government Code,
18 are amended to read as follows:

19 (b) The sponsoring community shall report to the board
20 [~~executive committee~~] the length of time the student provides
21 health care services in the community in accordance with the
22 guidelines established by the board [~~executive committee~~].

23 (c) A postsecondary educational institution shall provide
24 to the board [~~executive committee~~] a copy of the academic
25 transcript of each student for whom the institution has received a
26 release that complies with state and federal open records laws and
27 that authorizes the provision of the transcript.

1 SECTION 30. Section 487.163, Government Code, is amended to
2 read as follows:

3 Sec. 487.163. ADOPTION OF RULES. (a) The board [~~executive~~
4 ~~committee~~] shall adopt reasonable rules to enforce the
5 requirements, conditions, and limitations of this subchapter.

6 (b) The board [~~executive committee~~] shall set the rate of
7 interest charged on a forgivable loan under this subchapter.

8 (c) The board [~~executive committee~~] shall adopt rules
9 necessary to ensure compliance with the federal Civil Rights Act of
10 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
11 in admissions.

12 SECTION 31. Sections 487.202, 487.203, and 487.204,
13 Government Code, are amended to read as follows:

14 Sec. 487.202. PROGRAM. (a) The board [~~executive~~
15 ~~committee~~] shall establish and administer a program under this
16 subchapter to increase the number of physicians providing primary
17 care in medically underserved communities.

18 (b) A medically underserved community may sponsor a
19 physician who has completed a primary care residency program and
20 has agreed to provide primary care in the community by contributing
21 start-up money for the physician and having that contribution
22 matched wholly or partly by state money appropriated to the office
23 [~~executive committee~~] for that purpose.

24 (c) A participating medically underserved community may
25 provide start-up money to an eligible physician over a two-year
26 period.

27 (d) The office [~~executive committee~~] may not pay more than

1 \$25,000 to a community in a fiscal year unless the board [~~executive~~
2 ~~committee~~] makes a specific finding of need by the community.

3 (e) The board [~~executive committee~~] shall establish
4 priorities so that the neediest communities eligible for assistance
5 under this subchapter are assured the receipt of a grant.

6 Sec. 487.203. ELIGIBILITY. To be eligible to receive money
7 from the office [~~executive committee~~], a medically underserved
8 community must:

- 9 (1) apply for the money; and
10 (2) provide evidence satisfactory to the board
11 [~~executive committee~~] that it has entered into an agreement with a
12 physician for the physician to provide primary care in the
13 community for at least two years.

14 Sec. 487.204. RULES. The board [~~executive committee~~] shall
15 adopt rules necessary for the administration of this subchapter,
16 including rules addressing:

- 17 (1) eligibility criteria for a medically underserved
18 community;
19 (2) eligibility criteria for a physician;
20 (3) minimum and maximum community contributions to the
21 start-up money for a physician to be matched with state money;
22 (4) conditions under which state money must be repaid
23 by a community or physician;
24 (5) procedures for disbursement of money by the office
25 [~~executive committee~~];
26 (6) the form and manner in which a community must make
27 its contribution to the start-up money; and

1 (7) the contents of an agreement to be entered into by
2 the parties, which must include at least:

- 3 (A) a credit check for an eligible physician; and
4 (B) community retention of interest in any
5 property, equipment, or durable goods for seven years.

6 SECTION 32. Section 487.252, Government Code, is amended to
7 read as follows:

8 Sec. 487.252. TEXAS HEALTH SERVICE CORPS PROGRAM. (a) The
9 board [~~executive committee~~] shall establish a program in the office
10 to assist communities in recruiting and retaining physicians to
11 practice in medically underserved areas.

12 (b) The board [~~executive committee~~] by rule shall
13 establish:

- 14 (1) eligibility criteria for applicants;
15 (2) stipend application procedures;
16 (3) guidelines relating to stipend amounts;
17 (4) procedures for evaluating stipend applications;

18 and

- 19 (5) a system of priorities relating to the:
20 (A) geographic areas covered;
21 (B) medical specialties eligible to receive
22 funding under the program; and
23 (C) level of stipend support.

24 SECTION 33. Section 487.253(a), Government Code, is amended
25 to read as follows:

26 (a) The board [~~executive committee~~] shall adopt rules
27 necessary to administer this subchapter, and the office shall

1 administer the program in accordance with those rules.

2 SECTION 34. Section 487.351, Government Code, is amended by
3 adding Subsection (c) to read as follows:

4 (c) The office shall give priority to eligible activities in
5 the areas of economic development, community development, rural
6 health, and rural housing to support workforce development in
7 awarding funding for community development block grant programs.

8 SECTION 35. Subchapter I, Chapter 487, Government Code, is
9 amended by adding Section 487.3515 to read as follows:

10 Sec. 487.3515. EVALUATION OF COMMUNITY DEVELOPMENT BLOCK
11 GRANT PROGRAM. (a) The office, in consultation with the Department
12 of Agriculture, shall review and evaluate the administration of the
13 state's allocation of federal funds under the community development
14 block grant nonentitlement program and, based on the results of the
15 evaluation, streamline administration of the program and program
16 requirements. The office shall, at a minimum, evaluate:

17 (1) combining program fund categories, within
18 allowable limits provided by state statute, the General
19 Appropriations Act, and federal law and regulations;

20 (2) simplifying the grant application and scoring
21 process; and

22 (3) regularly reviewing and closing out aged
23 contracts.

24 (b) The office shall implement program changes resulting
25 from the evaluation that do not require statutory changes as soon as
26 possible, but not later than the date the office publishes the next
27 community development block grant nonentitlement program action

1 plan.

2 (c) The office shall include the findings from the
3 evaluation, program changes resulting from the evaluation, and any
4 statutory changes needed to make additional changes in the agency's
5 biennial report to the 81st Legislature.

6 (d) This section expires September 1, 2009.

7 SECTION 36. Section 487.353, Government Code, is amended by
8 amending Subsections (i) and (j) and adding Subsections (k) and (l)
9 to read as follows:

10 (i) The committee shall:

11 (1) consult with and advise the executive director on
12 the administration and enforcement of the community development
13 block grant program; and

14 (2) in consultation with the executive director and
15 office staff, review and approve grant and loan [funding]
16 applications and associated funding awards of eligible counties and
17 municipalities and advise and assist the executive director
18 regarding the allocation of program funds to those applicants.

19 (j) The committee may annually recommend to the executive
20 director a formula for allocating funds to each geographic state
21 planning region established by the governor under Chapter 391,
22 Local Government Code. The formula must give preference to regions
23 according to the regions' needs.

24 (k) An applicant for a grant, loan, or award under a
25 community development block grant program may appeal a decision of
26 the committee by filing a complaint with the board. The board shall
27 hold a hearing on a complaint filed with the board under this

1 subsection and render a decision.

2 (1) The committee is a governmental body for purposes of the
3 open meetings law, Chapter 551.

4 SECTION 37. Section 487.401, Government Code, is amended to
5 read as follows:

6 Sec. 487.401. ADMINISTRATION. (a) The board [~~executive~~
7 ~~committee~~] shall adopt rules that establish a procedure for
8 designating a hospital as a rural hospital in order for the hospital
9 to qualify for federal funds under 42 C.F.R. Part 412.

10 (b) At the hospital's request, the office shall designate
11 the hospital as a rural hospital if the hospital meets the
12 requirements for a rural hospital under the board's [~~executive~~
13 ~~committee's~~] rules.

14 SECTION 38. Section 487.451(1), Government Code, is amended
15 to read as follows:

16 (1) "Health care professional" means:

- 17 (A) an advanced nurse practitioner;
- 18 (B) a dentist;
- 19 (C) a dental hygienist;
- 20 (D) a laboratory technician;
- 21 (E) a licensed vocational nurse;
- 22 (F) a licensed professional counselor;
- 23 (G) a medical radiological technologist;
- 24 (H) an occupational therapist;
- 25 (I) a pharmacist;
- 26 (J) a physical therapist;
- 27 (K) a physician;

1 (L) a physician assistant;
2 (M) a psychologist;
3 (N) a registered nurse;
4 (O) a social worker;
5 (P) a speech-language pathologist;
6 (Q) a veterinarian;
7 (R) a chiropractor; and
8 (S) another appropriate health care professional
9 identified by the board [~~executive committee~~].

10 SECTION 39. Section 487.452(a), Government Code, is amended
11 to read as follows:

12 (a) The board [~~executive committee~~], in collaboration with
13 Area Health Education Center Programs, shall establish a community
14 healthcare awareness and mentoring program for students to:

15 (1) identify high school students in rural and
16 underserved urban areas who are interested in serving those areas
17 as health care professionals;

18 (2) identify health care professionals in rural and
19 underserved urban areas to act as positive role models, mentors, or
20 reference resources for the interested high school students;

21 (3) introduce interested high school students to the
22 spectrum of professional health care careers through activities
23 such as health care camps and shadowing of health care
24 professionals;

25 (4) encourage a continued interest in service as
26 health care professionals in rural and underserved urban areas by
27 providing mentors and community resources for students

1 participating in training or educational programs to become health
2 care professionals; and

3 (5) provide continuing community-based support for
4 students during the period the students are attending training or
5 educational programs to become health care professionals,
6 including summer job opportunities and opportunities to mentor high
7 school students in the community.

8 SECTION 40. Section 487.454, Government Code, is amended to
9 read as follows:

10 Sec. 487.454. GRANTS; ELIGIBILITY. (a) Subject to
11 available funds, the board [~~executive committee~~] shall develop and
12 implement, as a component of the program, a grant program to support
13 employment opportunities in rural and underserved urban areas in
14 this state for students participating in training or educational
15 programs to become health care professionals.

16 (b) In awarding grants under the program, the board
17 [~~executive committee~~] shall give first priority to grants to
18 training or educational programs that provide internships to
19 students.

20 (c) To be eligible to receive a grant under the grant
21 program, a person must:

22 (1) apply for the grant on a form adopted by the board
23 [~~executive committee~~];

24 (2) be enrolled or intend to be enrolled in a training
25 or educational program to become a health care professional;

26 (3) commit to practice or work, after licensure as a
27 health care professional, for at least one year as a health care

1 professional in a rural or underserved urban area in this state; and

2 (4) comply fully with any practice or requirements
3 associated with any scholarship, loan, or other similar benefit
4 received by the student.

5 (d) As a condition of receiving a grant under the program
6 the student must agree to repay the amount of the grant, plus a
7 penalty in an amount established by rule of the board [~~executive~~
8 ~~committee~~] not to exceed two times the amount of the grant, if the
9 student becomes licensed as a health care professional and fails to
10 practice or work for at least one year as a health care professional
11 in a rural or underserved urban area in this state.

12 SECTION 41. Section 487.553, Government Code, is amended to
13 read as follows:

14 Sec. 487.553. LOAN REIMBURSEMENT PROGRAM. The board
15 [~~executive committee~~] shall establish a program in the office to
16 assist communities in recruiting health professionals to practice
17 in medically underserved communities by providing loan
18 reimbursement for health professionals who serve in those
19 communities.

20 SECTION 42. Section 487.554(a), Government Code, is amended
21 to read as follows:

22 (a) The board [~~executive committee~~] shall establish a
23 program in the office to assist communities in recruiting health
24 professionals to practice in medically underserved communities by
25 providing a stipend to health professionals who agree to serve in
26 those communities.

27 SECTION 43. Section 487.555(e), Government Code, is amended

1 to read as follows:

2 (e) A contract under this section must provide that a health
3 professional who does not provide the required services to the
4 community or provides those services for less than the required
5 time is personally liable to the state for:

6 (1) the total amount of assistance the health
7 professional received from the office and the medically underserved
8 community;

9 (2) interest on the amount under Subdivision (1) at a
10 rate set by the board [~~executive committee~~];

11 (3) the state's reasonable expenses incurred in
12 obtaining payment, including reasonable attorney's fees; and

13 (4) a penalty as established by the board [~~executive~~
14 ~~committee~~] by rule to help ensure compliance with the contract.

15 SECTION 44. Section 487.556, Government Code, is amended to
16 read as follows:

17 Sec. 487.556. POWERS AND DUTIES OF OFFICE. (a) The board
18 [~~executive committee~~] shall adopt rules necessary for the
19 administration of this subchapter, including guidelines for:

20 (1) developing contracts under which loan
21 reimbursement or stipend recipients provide services to qualifying
22 communities;

23 (2) identifying the duties of the state, state agency,
24 loan reimbursement or stipend recipient, and medically underserved
25 community under the loan reimbursement or stipend contract;

26 (3) determining a rate of interest to be charged under
27 Section 487.555(e)(2);

1 (4) ensuring that a loan reimbursement or stipend
2 recipient provides access to health services to participants in
3 government-funded health benefits programs in qualifying
4 communities;

5 (5) encouraging the use of telecommunications or
6 telemedicine, as appropriate;

7 (6) prioritizing the provision of loan reimbursements
8 and stipends to health professionals who are not eligible for any
9 other state loan forgiveness, loan repayment, or stipend program;

10 (7) prioritizing the provision of loan reimbursements
11 and stipends to health professionals who are graduates of health
12 professional degree programs in this state;

13 (8) encouraging a medically underserved community
14 served by a loan reimbursement or stipend recipient to contribute
15 to the cost of the loan reimbursement or stipend when making a
16 contribution is feasible; and

17 (9) requiring a medically underserved community
18 served by a loan reimbursement or stipend recipient to assist the
19 office in contracting with the loan reimbursement or stipend
20 recipient who will serve that community.

21 (b) The board [~~executive committee~~] by rule may designate
22 areas of the state as medically underserved communities.

23 (c) The board [~~executive committee~~] shall make reasonable
24 efforts to contract with health professionals from a variety of
25 different health professions.

26 SECTION 45. Section 487.608(a), Government Code, is amended
27 to read as follows:

1 (a) The rural physician relief advisory committee is
2 composed of the following members appointed by the board [~~executive~~
3 ~~committee~~]:

4 (1) a physician who practices in the area of general
5 family medicine in a rural county;

6 (2) a physician who practices in the area of general
7 internal medicine in a rural county;

8 (3) a physician who practices in the area of general
9 pediatrics in a rural county;

10 (4) a representative from an accredited Texas medical
11 school;

12 (5) a program director from an accredited primary care
13 residency program;

14 (6) a representative from the Texas Higher Education
15 Coordinating Board; and

16 (7) a representative from the Texas [~~State Board of~~
17 Medical Board [~~Examiners~~].

18 SECTION 46. Section 110.003(a), Health and Safety Code, is
19 amended to read as follows:

20 (a) The Rural Foundation is governed by a board of five
21 directors appointed by the board [~~executive committee~~] of the
22 Office of Rural Community Affairs from individuals recommended by
23 the executive director of the Office of Rural Community Affairs.

24 SECTION 47. Section 110.010, Health and Safety Code, is
25 amended to read as follows:

26 Sec. 110.010. MEMORANDUM OF UNDERSTANDING. The Rural
27 Foundation and the Office of Rural Community Affairs shall enter

1 into a memorandum of understanding that:

2 (1) requires the board of directors and staff of the
3 foundation to report to the executive director and board [~~executive~~
4 ~~committee~~] of the Office of Rural Community Affairs;

5 (2) allows the Office of Rural Community Affairs to
6 provide staff functions to the foundation;

7 (3) allows the Office of Rural Community Affairs to
8 expend funds on the foundation; and

9 (4) outlines the financial contributions to be made to
10 the foundation from funds obtained from grants and other sources.

11 SECTION 48. (a) The nine members of the executive committee
12 of the Office of Rural Community Affairs who are serving
13 immediately before September 1, 2007, continue to serve as members
14 of the governing board of the office on and after that date
15 regardless of whether those members meet the membership
16 requirements prescribed by Subchapter B, Chapter 487, Government
17 Code, as amended by this Act. However, the positions of those nine
18 members are abolished on the date on which a majority of the 11
19 board membership positions that are created under Section 487.021,
20 Government Code, as amended by this Act, are filled and the
21 appointees qualify for office.

22 (b) The governor, the lieutenant governor, and the speaker
23 of the house of representatives shall make the 10 appointments to
24 the board under Section 487.021, Government Code, as amended by
25 this Act, as soon as possible on or after September 1, 2007. In
26 making the initial appointments, the governor shall designate two
27 members for terms expiring February 1, 2009, one member for a term

1 expiring February 1, 2011, and one member for a term expiring
2 February 1, 2013. In making the initial appointments, the
3 lieutenant governor and the speaker of the house shall each
4 designate one nonlegislative member for a term expiring February 1,
5 2011, and one nonlegislative member for a term expiring February 1,
6 2013. Any person who served as a member of the executive committee
7 before September 1, 2007, may be appointed to the board.

8 SECTION 49. This Act takes effect immediately if it
9 receives a vote of two-thirds of all the members elected to each
10 house, as provided by Section 39, Article III, Texas Constitution.
11 If this Act does not receive the vote necessary for immediate
12 effect, this Act takes effect September 1, 2007.

HOUSE ENGROSSMENT

By: Kolkhorst, Flynn, Truitt, McClendon,
et al.

H.B. No. 2542

A BILL TO BE ENTITLED

AN ACT

relating to the continuation and functions of the Office of Rural
Community Affairs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 487.001(1), Government Code, is amended
to read as follows:

(1) "Board" [~~"Executive committee"~~] means the board
[~~executive committee~~] of the Office of Rural Community Affairs.

SECTION 2. Section 487.002, Government Code, is amended to
read as follows:

Sec. 487.002. SUNSET PROVISION. The Office of Rural
Community Affairs is subject to Chapter 325 (Texas Sunset Act).
Unless continued in existence as provided by that chapter, the
office is abolished and this chapter expires September 1, 2015
[~~2007~~].

SECTION 3. Section 487.021, Government Code, is amended to
read as follows:

Sec. 487.021. BOARD [~~EXECUTIVE COMMITTEE~~]. (a) The board
[~~executive committee~~] is the governing body of the office.

(b) The board [~~executive committee~~] is composed of the
following 11 [~~nine~~] members:

(1) four [~~three~~] members who represent different
geographic regions of the state appointed by the governor,
including:

1 (A) two locally elected rural city or county
2 officials or city or county employees involved with rural
3 development; and

4 (B) two public members each of whom resides in a
5 rural city or county;

6 (2) three members appointed by the lieutenant
7 governor, including:

8 (A) one senator who resides in a rural city or
9 county; and

10 (B) two public members each of whom resides in a
11 rural city or county and is interested in rural issues; [and]

12 (3) three members appointed by the speaker of the
13 house of representatives, including:

14 (A) one member of the house of representatives
15 who resides in a rural city or county; and

16 (B) two public members each of whom resides in a
17 rural city or county and is interested in rural issues; and

18 (4) the commissioner of agriculture or the
19 commissioner's designee.

20 (b-1) The two board members who are members of the
21 legislature are nonvoting members.

22 (c) In this section, "rural city or county" means a rural
23 city or county as defined by the federal community development
24 block grant nonentitlement program. [The governor, the lieutenant
25 governor, and the speaker of the house of representatives shall
26 each appoint at least two members who possess a strong
27 understanding of and commitment to rural interests based on the

1 ~~individual's personal history, including residency, occupation,~~
2 ~~and business or civic activities.]~~

3 (d) Appointments to the board ~~[executive committee]~~ shall
4 be made without regard to the race, color, disability, sex,
5 religion, age, or national origin of the appointees.

6 (e) The members of the board who are not serving as an
7 additional duty of an office in state government ~~[executive~~
8 ~~committee]~~ serve for staggered six-year terms, with the terms of
9 two or three members expiring February 1 of each odd-numbered year.
10 A member of the legislature serves at the will of the appointing
11 authority.

12 (f) Board ~~[Executive committee]~~ members receive no
13 compensation but are entitled to reimbursement of actual and
14 necessary expenses incurred in the performance of their duties.

15 (g) The governor shall designate a member ~~[The members]~~ of
16 the board as the ~~[executive committee annually shall elect a]~~
17 presiding officer ~~[from among the members]~~ of the board to serve in
18 that capacity at the will of the governor ~~[executive committee].~~

19 (h) Service on the board by a member of the legislature, the
20 commissioner of agriculture, or an officer of a county or
21 municipality is an additional duty of the individual's office.

22 SECTION 4. Sections 487.022(b) and (c), Government Code,
23 are amended to read as follows:

24 (b) A person may not be a member of the board ~~[executive~~
25 ~~committee]~~ and may not be an office employee employed in a "bona
26 fide executive, administrative, or professional capacity," as that
27 phrase is used for purposes of establishing an exemption to the

overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.) and its subsequent amendments, if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in the field of rural affairs; or

(2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the field of rural affairs.

(c) A person may not be a member of the board ~~[executive committee]~~ or act as the general counsel to the board ~~[executive committee]~~ or the office if the person is required to register as a lobbyist under Chapter 305 because of the person's activities for compensation on behalf of a profession related to the operation of the office.

SECTION 5. Sections 487.023 through 487.027, Government Code, are amended to read as follows:

Sec. 487.023. TRAINING FOR MEMBERS OF BOARD ~~[EXECUTIVE COMMITTEE]~~. (a) A person who is appointed to and qualifies for office as a member of the board ~~[executive committee]~~ may not vote, deliberate, or be counted as a member in attendance at a meeting of the board ~~[executive committee]~~ until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

(1) the legislation that created the office ~~[and the executive committee]~~;

(2) the programs, ~~[operated by the office,~~

1 ~~[(3) the role and]~~ functions, ~~[of the office,~~
2 ~~[(4) the]~~ rules, ~~[of the office, with an emphasis on~~
3 any rules that relate to disciplinary] and [investigatory
4 authority,

5 ~~[(5) the current]~~ budget of for the office;

6 (3) ~~[(6)]~~ the results of the most recent formal audit
7 of the office;

8 (4) ~~[(7)]~~ the requirements of laws relating to [+
9 ~~[(A) the]~~ open meetings ~~[law], [Chapter 551,~~
10 ~~[(B) the]~~ public information ~~[law], [Chapter~~
11 ~~552,~~

12 ~~[(C) the]~~ administrative procedure ~~[law],~~
13 ~~[Chapter 2001,~~ and conflicts of interest

14 ~~[(D) other laws relating to public officials,~~
15 ~~including conflict-of-interest laws]; and~~

16 (5) ~~[(8)]~~ any applicable ethics policies adopted by
17 the office ~~[executive committee]~~ or the Texas Ethics Commission.

18 (c) A person appointed to the board ~~[executive committee]~~ is
19 entitled to reimbursement, as provided by ~~[general law and]~~ the
20 General Appropriations Act, for the travel expenses incurred in
21 attending the training program regardless of whether the attendance
22 at the program occurs before or after the person qualifies for
23 office.

24 Sec. 487.024. REMOVAL. (a) It is a ground for removal from
25 the board ~~[executive committee]~~ that a member:

26 (1) does not have at the time of taking office the
27 qualifications required by Section 487.021;

1 (2) does not maintain during service on the board
2 ~~[executive committee]~~ the qualifications required by Section
3 487.021;

4 (3) is ineligible for membership under Section
5 487.022;

6 (4) cannot, because of illness or disability,
7 discharge the member's duties for a substantial part of the member's
8 term; or

9 (5) is absent from more than half of the regularly
10 scheduled board ~~[executive committee]~~ meetings that the member is
11 eligible to attend during a calendar year without an excuse
12 approved by a majority vote of the board ~~[executive committee]~~.

13 (b) The validity of an action of the board ~~[executive~~
14 ~~committee]~~ is not affected by the fact that it is taken when a
15 ground for removal of a board ~~[an executive committee]~~ member
16 exists.

17 (c) If the executive director has knowledge that a potential
18 ground for removal exists, the executive director shall notify the
19 presiding officer of the board ~~[executive committee]~~ of the
20 potential ground. The presiding officer shall then notify the
21 appointing authority ~~[governor]~~ and the attorney general that a
22 potential ground for removal exists. If the potential ground for
23 removal involves the presiding officer, the executive director
24 shall notify the next highest ranking officer of the board
25 ~~[executive committee]~~, who shall then notify the appointing
26 authority ~~[governor]~~ and the attorney general that a potential
27 ground for removal exists.

1 Sec. 487.025. DIVISION OF RESPONSIBILITY. The board
2 ~~[executive committee]~~ shall develop and implement policies that
3 clearly separate the policy-making responsibilities of the board
4 ~~[executive committee]~~ and the management responsibilities of the
5 executive director and staff of the office.

6 Sec. 487.026. EXECUTIVE DIRECTOR. (a) The board
7 ~~[executive committee]~~ may hire an executive director to serve as
8 the chief executive officer of the office and to perform the
9 administrative duties of the office.

10 (b) The executive director serves at the will of the board
11 ~~[executive committee]~~.

12 (c) The executive director may hire staff within guidelines
13 established by the board ~~[executive committee]~~.

14 Sec. 487.027. PUBLIC HEARINGS. The board ~~[executive~~
15 ~~committee]~~ shall develop and implement policies that provide the
16 public with a reasonable opportunity to appear before the board
17 ~~[executive committee]~~ and to speak on any issue under the
18 jurisdiction of the office.

19 SECTION 6. Section 487.029, Government Code, is amended to
20 read as follows:

21 Sec. 487.029. STANDARDS OF CONDUCT. The executive director
22 or the executive director's designee shall provide to members of
23 the board ~~[executive committee]~~ and to agency employees, as often
24 as necessary, information regarding the requirements for office or
25 employment under this chapter, including information regarding a
26 person's responsibilities under applicable laws relating to
27 standards of conduct for state officers or employees.

SECTION 7. Section 487.030, Government Code, is amended to read as follows:

Sec. 487.030. COMPLAINTS. (a) The office shall maintain a system to promptly and efficiently act on complaints ~~[file on each written complaint]~~ filed with the office. The office shall maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition ~~[The file must include:~~

~~(1) the name of the person who filed the complaint,~~
~~(2) the date the complaint is received by the office,~~
~~(3) the subject matter of the complaint,~~
~~(4) the name of each person contacted in relation to the complaint,~~
~~(5) a summary of the results of the review or investigation of the complaint, and~~
~~(6) an explanation of the reason the file was closed, if the office closed the file without taking action other than to investigate the complaint].~~

(b) The office shall make information available describing its ~~[provide to the person filing the complaint and to each person who is a subject of the complaint a copy of the office's policies and]~~ procedures for ~~[relating to]~~ complaint investigation and resolution.

(c) The office~~[, at least quarterly until final disposition of the complaint,]~~ shall periodically notify the complaint parties ~~[person filing the complaint and each person who is a subject of the~~

1 ~~complaint]~~ of the status of the complaint until final disposition
2 ~~[investigation unless the notice would jeopardize an undercover~~
3 ~~investigation]~~.

4 SECTION 8. Subchapter B, Chapter 487, Government Code, is
5 amended by adding Sections 487.031 and 487.032 to read as follows:

6 Sec. 487.031. USE OF TECHNOLOGY. The board shall implement
7 a policy requiring the office to use appropriate technological
8 solutions to improve the office's ability to perform its functions.
9 The policy must ensure that the public is able to interact with the
10 office on the Internet.

11 Sec. 487.032. NEGOTIATED RULEMAKING AND ALTERNATIVE
12 DISPUTE RESOLUTION PROCEDURES. (a) The board shall develop and
13 implement a policy to encourage the use of:

14 (1) negotiated rulemaking procedures under Chapter
15 2008 for the adoption of office rules; and

16 (2) appropriate alternative dispute resolution
17 procedures under Chapter 2009 to assist in the resolution of
18 internal and external disputes under the office's jurisdiction.

19 (b) The office's procedures relating to alternative dispute
20 resolution must conform, to the extent possible, to any model
21 guidelines issued by the State Office of Administrative Hearings
22 for the use of alternative dispute resolution by state agencies.

23 (c) The board shall designate a trained person to:

24 (1) coordinate the implementation of the policy
25 adopted under Subsection (a);

26 (2) serve as a resource for any training needed to
27 implement the procedures for negotiated rulemaking or alternative

1 dispute resolution; and

2 (3) collect data concerning the effectiveness of those
3 procedures, as implemented by the office.

4 SECTION 9. Section 487.051, Government Code, is amended to
5 read as follows:

6 Sec. 487.051. POWERS AND DUTIES. (a) The office shall:

7 (1) assist rural communities in the key areas of
8 economic development, community development, rural health, and
9 rural housing [~~develop a rural policy for the state in consultation~~
10 ~~with local leaders representing all facets of rural community life,~~
11 ~~academic and industry experts, and state elected and appointed~~
12 ~~officials with interests in rural communities~~];

13 (2) serve as a clearinghouse for information and
14 resources on all state and federal programs affecting rural
15 communities [~~work with other state agencies and officials to~~
16 ~~improve the results and the cost-effectiveness of state programs~~
17 ~~affecting rural communities through coordination of efforts~~];

18 (3) in consultation with rural community leaders,
19 locally elected officials, state elected and appointed officials,
20 academic and industry experts, and the interagency work group
21 created under this chapter, identify and prioritize policy issues
22 and concerns affecting rural communities in the state [~~develop~~
23 ~~programs to improve the leadership capacity of rural community~~
24 ~~leaders~~];

25 (4) make recommendations to the legislature to address
26 the concerns affecting rural communities identified under
27 Subdivision (3);

1 (5) monitor developments that have a substantial
2 effect on rural Texas communities, especially actions of state
3 government, and compile an annual report describing and evaluating
4 the condition of rural communities;

5 (6) [~~45~~] administer the federal community
6 development block grant nonentitlement program;

7 (7) [~~46~~] administer programs supporting rural health
8 care as provided by this chapter;

9 (8) [~~47~~] perform research to determine the most
10 beneficial and cost-effective ways to improve the welfare of rural
11 communities;

12 (9) [~~48~~] ensure that the office qualifies as the
13 state's office of rural health for the purpose of receiving grants
14 from the Office of Rural Health Policy of the United States
15 Department of Health and Human Services under 42 U.S.C. Section
16 254r;

17 (10) [~~49~~] manage the state's Medicare rural hospital
18 flexibility program under 42 U.S.C. Section 1395i-4; [~~and~~]

19 (11) [~~410~~] seek state and federal money available for
20 economic development in rural areas for programs under this
21 chapter; and

22 (12) in conjunction with the Department of
23 Agriculture, regularly cross-train office employees with employees
24 of the Department of Agriculture regarding the programs
25 administered and services provided by each agency to rural
26 communities.

27 (b) The office may require office employees who work at

1 locations other than the central office to be based in Department of
2 Agriculture offices.

3 SECTION 10. Section 487.052, Government Code, is amended to
4 read as follows:

5 Sec. 487.052. RULES. The board [~~executive committee~~] may
6 adopt rules as necessary to implement this chapter.

7 SECTION 11. Section 487.053(b), Government Code, is amended
8 to read as follows:

9 (b) All gifts, grants, and donations must be accepted in an
10 open meeting by a majority of the voting members of the board
11 [~~executive committee~~] and reported in the public record of the
12 meeting with the name of the donor and purpose of the gift, grant,
13 or donation.

14 SECTION 12. Section 487.054(b), Government Code, is amended
15 to read as follows:

16 (b) The board [~~executive committee~~] shall call the annual
17 meeting. The board [~~executive committee~~] shall set the time and
18 date of the meeting after consulting with the agency heads listed in
19 Subsection (a).

20 SECTION 13. Section 487.055, Government Code, is amended to
21 read as follows:

22 Sec. 487.055. ADVISORY COMMITTEES. The board [~~executive~~
23 ~~committee~~] may appoint advisory committees as necessary to assist
24 the board [~~executive committee~~] in performing its duties. An
25 advisory committee may be composed of private citizens and
26 representatives from state and local governmental entities. A
27 state or local governmental entity shall appoint a representative

1 to an advisory committee at the request of the board [~~executive~~
2 ~~committee~~]. Chapter 2110 does not apply to an advisory committee
3 created under this section.

4 SECTION 14. Section 487.056, Government Code, is amended by
5 adding Subsection (c) to read as follows:

6 (c) The office shall obtain information on the availability
7 of housing in rural communities throughout the state for all income
8 levels. The office shall include the information, and the office's
9 assessment of the information, in the office's report to the
10 legislature.

11 SECTION 15. Section 487.057(b), Government Code, is amended
12 to read as follows:

13 (b) The office shall submit the rural health work plan to
14 the board [~~executive committee~~] for approval. The board [~~executive~~
15 ~~committee~~] shall approve the rural health work plan not later than
16 August 1 of each odd-numbered year.

17 SECTION 16. Sections 487.059(b), (c), (e), (f), and (g),
18 Government Code, are amended to read as follows:

19 (b) If a member of the board [~~executive committee~~] or a
20 [~~another~~] committee established under this chapter, including an
21 advisory committee, has a financial interest in an entity that
22 applies for a monetary award, the board or committee member shall,
23 before a vote on the monetary award, disclose the fact of the board
24 or committee member's financial interest. The board or committee
25 shall enter the disclosure into the minutes of the meeting at which
26 a vote on the monetary award is taken. The board or committee
27 member may not vote on or otherwise participate in a discussion or

1 any other activity that relates to awarding the monetary award. If
2 the board or committee member does not comply with this subsection,
3 the entity is not eligible for the monetary award.

4 (c) If the executive director or another office employee has
5 a financial interest in an entity that applies for a monetary award,
6 the executive director or employee:

7 (1) shall, as soon as possible, disclose to the board
8 [~~executive committee~~] the fact of the director's or employee's
9 financial interest;

10 (2) may not participate in staff evaluations regarding
11 the monetary award; and

12 (3) if the executive director or employee under office
13 procedures may [~~has a~~] vote, or make a recommendation concerning a
14 vote, on a matter that involves the monetary award:

15 (A) shall disclose the fact of the director's or
16 employee's financial interest before a vote on the monetary award,
17 which the board or committee shall enter into the minutes of the
18 meeting at which a vote on the monetary award is taken; and

19 (B) may not vote on or otherwise participate in a
20 discussion or any other activity that relates to awarding the
21 monetary award.

22 (e) Subsections (f) and (g) apply only to a member of the
23 board or a [~~executive~~] committee who is employed by:

24 (1) an entity that offers to enter into a contract with
25 the office; or

26 (2) an entity that is under common ownership or
27 governance with or otherwise affiliated with an entity that applies

1 for a monetary award or offers to enter into a contract with the
2 office.

3 (f) The board or ~~[executive]~~ committee member shall, before
4 a vote on the monetary award or contract, disclose the fact of the
5 member's employment by the entity. The board or ~~[executive]~~
6 committee shall enter the disclosure into the minutes of the
7 meeting at which a vote on the monetary award or contract is taken.
8 The board or ~~[executive]~~ committee member may not vote on or
9 otherwise participate in a discussion or any other activity that
10 relates to awarding the monetary award or contract.

11 (g) If the board or ~~[executive]~~ committee member does not
12 comply with Subsection (f), the entity is not eligible to be awarded
13 the monetary award or contract.

14 SECTION 17. Sections 487.103(a), (b), and (c), Government
15 Code, are amended to read as follows:

16 (a) The selection committee shall advise the board
17 ~~[executive committee]~~ on the progress of the program.

18 (b) The selection committee is composed of 12 members
19 appointed by the board ~~[executive committee]~~.

20 (c) The board ~~[executive committee]~~ shall consider
21 geographical representation in making appointments to the
22 selection committee.

23 SECTION 18. Sections 487.104(b) and (d), Government Code,
24 are amended to read as follows:

25 (b) The selection committee shall make selections based on
26 criteria approved by the board ~~[executive committee]~~ and adopted as
27 a rule of the office.

1 (d) The selection committee shall recommend to the board
2 ~~[executive committee]~~ guidelines to be used by rural communities in
3 the selection of students for nomination and sponsorship as
4 outstanding rural scholars.

5 SECTION 19. Section 487.107, Government Code, is amended to
6 read as follows:

7 Sec. 487.107. AWARDING OF LOANS. (a) The selection
8 committee shall recommend to the board ~~[executive committee]~~
9 guidelines for the awarding of forgivable loans to outstanding
10 rural scholars.

11 (b) The board ~~[executive committee]~~, acting on the advice of
12 the selection committee, shall award forgivable loans to
13 outstanding rural scholars based on the availability of money in
14 the fund.

15 (c) If in any year the fund is inadequate to provide loans to
16 all eligible applicants, the board ~~[executive committee]~~ shall
17 award forgivable loans on a priority basis according to the
18 applicants' academic performance, test scores, and other criteria
19 of eligibility.

20 SECTION 20. Section 487.108(a), Government Code, is amended
21 to read as follows:

22 (a) On confirmation of an outstanding rural scholar's
23 admission to a postsecondary educational institution, or on receipt
24 of an enrollment report of the scholar at a postsecondary
25 educational institution, and a certification of the amount of
26 financial support needed, the selection committee annually shall
27 recommend to the board ~~[executive committee]~~ that the board

1 ~~[committee]~~ award a forgivable loan to the scholar in the amount of
2 50 percent of the cost of the scholar's tuition, fees, educational
3 materials, and living expenses.

4 SECTION 21. Sections 487.109(b), (c), and (d), Government
5 Code, are amended to read as follows:

6 (b) The sponsoring community shall report to the board
7 ~~[executive committee]~~ the length of time the scholar practices as a
8 health care professional in the community.

9 (c) If the board ~~[executive committee]~~ finds that a
10 sponsoring community is not in need of the scholar's services and
11 that the community is willing to forgive repayment of the principal
12 balance and interest of the scholar's loan, the board ~~[executive~~
13 ~~committee]~~ by rule may provide for the principal balance and
14 interest of one year of the scholar's loan to be forgiven for each
15 year the scholar practices in another rural community in this
16 state.

17 (d) Any amount of loan principal or interest that is not
18 forgiven under this section shall be repaid to the office with
19 reasonable collection fees in a timely manner as provided by board
20 ~~[executive committee]~~ rule.

21 SECTION 22. Section 487.112, Government Code, is amended to
22 read as follows:

23 Sec. 487.112. ADOPTION AND DISTRIBUTION OF RULES. (a) The
24 board ~~[executive committee]~~ shall adopt reasonable rules to enforce
25 the requirements, conditions, and limitations under this
26 subchapter.

27 (b) The board ~~[executive committee]~~ shall set the rate of

1 interest charged on a forgivable loan under this subchapter.

2 (c) The board [~~executive committee~~] shall adopt rules
3 necessary to ensure compliance with the federal Civil Rights Act of
4 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
5 in admissions.

6 SECTION 23. Section 487.154, Government Code, is amended to
7 read as follows:

8 Sec. 487.154. LOANS. (a) The board [~~executive committee~~]
9 may award forgivable educational loans to eligible students under
10 this subchapter.

11 (b) The board [~~executive committee~~] may award forgivable
12 loans to eligible students based on the availability of money in the
13 fund.

14 (c) If in any year the fund is inadequate to provide loans to
15 all eligible students, the board [~~executive committee~~] may award
16 forgivable loans on a priority basis according to the students'
17 academic performance, test scores, and other criteria of
18 eligibility.

19 SECTION 24. Section 487.155(a), Government Code, is amended
20 to read as follows:

21 (a) To be eligible to receive a loan under this subchapter,
22 a student must:

- 23 (1) be sponsored by an eligible community;
- 24 (2) at the time of the application for the loan, be
25 enrolled in high school or enrolled or accepted for enrollment in a
26 postsecondary educational institution in this state;
- 27 (3) meet academic requirements as established by the

1 board [~~executive committee~~];

2 (4) plan to complete a health care professional degree
3 or certificate program;

4 (5) plan to practice as a health care professional in a
5 qualified area of the state; and

6 (6) meet other requirements as established by the
7 board [~~executive committee~~].

8 SECTION 25. Section 487.156(c), Government Code, is amended
9 to read as follows:

10 (c) The board [~~executive committee~~] shall determine the
11 percentage of educational expenses communities are required to
12 provide under this section.

13 SECTION 26. Section 487.157(a), Government Code, is amended
14 to read as follows:

15 (a) On confirmation of an eligible student's admission to a
16 postsecondary educational institution, or on receipt of an
17 enrollment report of the student at a postsecondary educational
18 institution, and certification of the amount of financial support
19 needed, the board [~~executive committee~~] may award a forgivable loan
20 to the student in the amount of not more than the cost of the
21 student's tuition, fees, educational materials, and living
22 expenses.

23 SECTION 27. Section 487.158(b), Government Code, is amended
24 to read as follows:

25 (b) The contract must provide that if the student does not
26 provide the required services to the community or provides those
27 services for less than the required time, the student is personally

1 liable to the state for:

2 (1) the total amount of assistance the student
3 receives from the office and the sponsoring community;

4 (2) interest on the total amount at a rate set by the
5 board [~~executive committee~~]; and

6 (3) the state's reasonable expenses incurred in
7 obtaining payment, including reasonable attorney's fees.

8 SECTION 28. Section 487.159(b), Government Code, is amended
9 to read as follows:

10 (b) If the board [~~executive committee~~] finds that a
11 sponsoring community is not in need of the student's services and
12 that the community is willing to forgive repayment of the principal
13 balance and interest of the student's loan, the board [~~executive~~
14 ~~committee~~] by rule may provide for the principal balance and
15 interest of the student's loan to be forgiven if the student
16 provides services in another qualified area in this state.

17 SECTION 29. Sections 487.161(b) and (c), Government Code,
18 are amended to read as follows:

19 (b) The sponsoring community shall report to the board
20 [~~executive committee~~] the length of time the student provides
21 health care services in the community in accordance with the
22 guidelines established by the board [~~executive committee~~].

23 (c) A postsecondary educational institution shall provide
24 to the board [~~executive committee~~] a copy of the academic
25 transcript of each student for whom the institution has received a
26 release that complies with state and federal open records laws and
27 that authorizes the provision of the transcript.

1 SECTION 30. Section 487.163, Government Code, is amended to
2 read as follows:

3 Sec. 487.163. ADOPTION OF RULES. (a) The board [~~executive~~
4 ~~committee~~] shall adopt reasonable rules to enforce the
5 requirements, conditions, and limitations of this subchapter.

6 (b) The board [~~executive committee~~] shall set the rate of
7 interest charged on a forgivable loan under this subchapter.

8 (c) The board [~~executive committee~~] shall adopt rules
9 necessary to ensure compliance with the federal Civil Rights Act of
10 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
11 in admissions.

12 SECTION 31. Sections 487.202, 487.203, and 487.204,
13 Government Code, are amended to read as follows:

14 Sec. 487.202. PROGRAM. (a) The board [~~executive~~
15 ~~committee~~] shall establish and administer a program under this
16 subchapter to increase the number of physicians providing primary
17 care in medically underserved communities.

18 (b) A medically underserved community may sponsor a
19 physician who has completed a primary care residency program and
20 has agreed to provide primary care in the community by contributing
21 start-up money for the physician and having that contribution
22 matched wholly or partly by state money appropriated to the office
23 [~~executive committee~~] for that purpose.

24 (c) A participating medically underserved community may
25 provide start-up money to an eligible physician over a two-year
26 period.

27 (d) The office [~~executive committee~~] may not pay more than

1 \$25,000 to a community in a fiscal year unless the board [~~executive~~
2 ~~committee~~] makes a specific finding of need by the community.

3 (e) The board [~~executive committee~~] shall establish
4 priorities so that the neediest communities eligible for assistance
5 under this subchapter are assured the receipt of a grant.

6 Sec. 487.203. ELIGIBILITY. To be eligible to receive money
7 from the office [~~executive committee~~], a medically underserved
8 community must:

- 9 (1) apply for the money; and
10 (2) provide evidence satisfactory to the board
11 [~~executive committee~~] that it has entered into an agreement with a
12 physician for the physician to provide primary care in the
13 community for at least two years.

14 Sec. 487.204. RULES. The board [~~executive committee~~] shall
15 adopt rules necessary for the administration of this subchapter,
16 including rules addressing:

- 17 (1) eligibility criteria for a medically underserved
18 community;
19 (2) eligibility criteria for a physician;
20 (3) minimum and maximum community contributions to the
21 start-up money for a physician to be matched with state money;
22 (4) conditions under which state money must be repaid
23 by a community or physician;
24 (5) procedures for disbursement of money by the office
25 [~~executive committee~~];
26 (6) the form and manner in which a community must make
27 its contribution to the start-up money; and

1 (7) the contents of an agreement to be entered into by
2 the parties, which must include at least:

- 3 (A) a credit check for an eligible physician; and
4 (B) community retention of interest in any
5 property, equipment, or durable goods for seven years.

6 SECTION 32. Section 487.252, Government Code, is amended to
7 read as follows:

8 Sec. 487.252. TEXAS HEALTH SERVICE CORPS PROGRAM. (a) The
9 board [~~executive committee~~] shall establish a program in the office
10 to assist communities in recruiting and retaining physicians to
11 practice in medically underserved areas.

12 (b) The board [~~executive committee~~] by rule shall
13 establish:

- 14 (1) eligibility criteria for applicants;
15 (2) stipend application procedures;
16 (3) guidelines relating to stipend amounts;
17 (4) procedures for evaluating stipend applications;

18 and

- 19 (5) a system of priorities relating to the:
20 (A) geographic areas covered;
21 (B) medical specialties eligible to receive
22 funding under the program; and
23 (C) level of stipend support.

24 SECTION 33. Section 487.253(a), Government Code, is amended
25 to read as follows:

26 (a) The board [~~executive committee~~] shall adopt rules
27 necessary to administer this subchapter, and the office shall

administer the program in accordance with those rules.

SECTION 34. Section 487.351, Government Code, is amended by adding Subsection (c) to read as follows:

(c) The office shall give priority to eligible activities in the areas of economic development, community development, rural health, and rural housing to support workforce development in awarding funding for community development block grant programs.

SECTION 35. Subchapter I, Chapter 487, Government Code, is amended by adding Section 487.3515 to read as follows:

Sec. 487.3515. EVALUATION OF COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM. (a) The office, in consultation with the Department of Agriculture, shall review and evaluate the administration of the state's allocation of federal funds under the community development block grant nonentitlement program and, based on the results of the evaluation, streamline administration of the program and program requirements. The office shall, at a minimum, evaluate:

(1) combining program fund categories, within allowable limits provided by state statute, the General Appropriations Act, and federal law and regulations;

(2) simplifying the grant application and scoring process; and

(3) regularly reviewing and closing out aged contracts.

(b) The office shall implement program changes resulting from the evaluation that do not require statutory changes as soon as possible, but not later than the date the office publishes the next community development block grant nonentitlement program action

1 plan.

2 (c) The office shall include the findings from the
3 evaluation, program changes resulting from the evaluation, and any
4 statutory changes needed to make additional changes in the agency's
5 biennial report to the 81st Legislature.

6 (d) This section expires September 1, 2009.

7 SECTION 36. Section 487.353, Government Code, is amended by
8 amending Subsections (i) and (j) and adding Subsections (k) and (l)
9 to read as follows:

10 (i) The committee shall:

11 (1) consult with and advise the executive director on
12 the administration and enforcement of the community development
13 block grant program; and

14 (2) in consultation with the executive director and
15 office staff, review and approve grant and loan [funding]
16 applications and associated funding awards of eligible counties and
17 municipalities and advise and assist the executive director
18 regarding the allocation of program funds to those applicants.

19 (j) The committee may annually recommend to the executive
20 director a formula for allocating funds to each geographic state
21 planning region established by the governor under Chapter 391,
22 Local Government Code. The formula must give preference to regions
23 according to the regions' needs.

24 (k) An applicant for a grant, loan, or award under a
25 community development block grant program may appeal a decision of
26 the committee by filing a complaint with the board. The board shall
27 hold a hearing on a complaint filed with the board under this

1 subsection and render a decision.

2 (1) The committee is a governmental body for purposes of the
3 open meetings law, Chapter 551.

4 SECTION 37. Section 487.401, Government Code, is amended to
5 read as follows:

6 Sec. 487.401. ADMINISTRATION. (a) The board [~~executive~~
7 ~~committee~~] shall adopt rules that establish a procedure for
8 designating a hospital as a rural hospital in order for the hospital
9 to qualify for federal funds under 42 C.F.R. Part 412.

10 (b) At the hospital's request, the office shall designate
11 the hospital as a rural hospital if the hospital meets the
12 requirements for a rural hospital under the board's [~~executive~~
13 ~~committee's~~] rules.

14 SECTION 38. Section 487.451(1), Government Code, is amended
15 to read as follows:

16 (1) "Health care professional" means:

- 17 (A) an advanced nurse practitioner;
- 18 (B) a dentist;
- 19 (C) a dental hygienist;
- 20 (D) a laboratory technician;
- 21 (E) a licensed vocational nurse;
- 22 (F) a licensed professional counselor;
- 23 (G) a medical radiological technologist;
- 24 (H) an occupational therapist;
- 25 (I) a pharmacist;
- 26 (J) a physical therapist;
- 27 (K) a physician;

1 (L) a physician assistant;
2 (M) a psychologist;
3 (N) a registered nurse;
4 (O) a social worker;
5 (P) a speech-language pathologist;
6 (Q) a veterinarian;
7 (R) a chiropractor; and
8 (S) another appropriate health care professional
9 identified by the board [~~executive committee~~].

10 SECTION 39. Section 487.452(a), Government Code, is amended
11 to read as follows:

12 (a) The board [~~executive committee~~], in collaboration with
13 Area Health Education Center Programs, shall establish a community
14 healthcare awareness and mentoring program for students to:

15 (1) identify high school students in rural and
16 underserved urban areas who are interested in serving those areas
17 as health care professionals;

18 (2) identify health care professionals in rural and
19 underserved urban areas to act as positive role models, mentors, or
20 reference resources for the interested high school students;

21 (3) introduce interested high school students to the
22 spectrum of professional health care careers through activities
23 such as health care camps and shadowing of health care
24 professionals;

25 (4) encourage a continued interest in service as
26 health care professionals in rural and underserved urban areas by
27 providing mentors and community resources for students

1 participating in training or educational programs to become health
2 care professionals; and

3 (5) provide continuing community-based support for
4 students during the period the students are attending training or
5 educational programs to become health care professionals,
6 including summer job opportunities and opportunities to mentor high
7 school students in the community.

8 SECTION 40. Section 487.454, Government Code, is amended to
9 read as follows:

10 Sec. 487.454. GRANTS; ELIGIBILITY. (a) Subject to
11 available funds, the board [~~executive committee~~] shall develop and
12 implement, as a component of the program, a grant program to support
13 employment opportunities in rural and underserved urban areas in
14 this state for students participating in training or educational
15 programs to become health care professionals.

16 (b) In awarding grants under the program, the board
17 [~~executive committee~~] shall give first priority to grants to
18 training or educational programs that provide internships to
19 students.

20 (c) To be eligible to receive a grant under the grant
21 program, a person must:

22 (1) apply for the grant on a form adopted by the board
23 [~~executive committee~~];

24 (2) be enrolled or intend to be enrolled in a training
25 or educational program to become a health care professional;

26 (3) commit to practice or work, after licensure as a
27 health care professional, for at least one year as a health care

1 professional in a rural or underserved urban area in this state; and

2 (4) comply fully with any practice or requirements
3 associated with any scholarship, loan, or other similar benefit
4 received by the student.

5 (d) As a condition of receiving a grant under the program
6 the student must agree to repay the amount of the grant, plus a
7 penalty in an amount established by rule of the board [~~executive~~
8 ~~committee~~] not to exceed two times the amount of the grant, if the
9 student becomes licensed as a health care professional and fails to
10 practice or work for at least one year as a health care professional
11 in a rural or underserved urban area in this state.

12 SECTION 41. Section 487.553, Government Code, is amended to
13 read as follows:

14 Sec. 487.553. LOAN REIMBURSEMENT PROGRAM. The board
15 [~~executive committee~~] shall establish a program in the office to
16 assist communities in recruiting health professionals to practice
17 in medically underserved communities by providing loan
18 reimbursement for health professionals who serve in those
19 communities.

20 SECTION 42. Section 487.554(a), Government Code, is amended
21 to read as follows:

22 (a) The board [~~executive committee~~] shall establish a
23 program in the office to assist communities in recruiting health
24 professionals to practice in medically underserved communities by
25 providing a stipend to health professionals who agree to serve in
26 those communities.

27 SECTION 43. Section 487.555(e), Government Code, is amended

1 to read as follows:

2 (e) A contract under this section must provide that a health
3 professional who does not provide the required services to the
4 community or provides those services for less than the required
5 time is personally liable to the state for:

6 (1) the total amount of assistance the health
7 professional received from the office and the medically underserved
8 community;

9 (2) interest on the amount under Subdivision (1) at a
10 rate set by the board [~~executive committee~~];

11 (3) the state's reasonable expenses incurred in
12 obtaining payment, including reasonable attorney's fees; and

13 (4) a penalty as established by the board [~~executive~~
14 ~~committee~~] by rule to help ensure compliance with the contract.

15 SECTION 44. Section 487.556, Government Code, is amended to
16 read as follows:

17 Sec. 487.556. POWERS AND DUTIES OF OFFICE. (a) The board
18 [~~executive committee~~] shall adopt rules necessary for the
19 administration of this subchapter, including guidelines for:

20 (1) developing contracts under which loan
21 reimbursement or stipend recipients provide services to qualifying
22 communities;

23 (2) identifying the duties of the state, state agency,
24 loan reimbursement or stipend recipient, and medically underserved
25 community under the loan reimbursement or stipend contract;

26 (3) determining a rate of interest to be charged under
27 Section 487.555(e)(2);

1 (4) ensuring that a loan reimbursement or stipend
2 recipient provides access to health services to participants in
3 government-funded health benefits programs in qualifying
4 communities;

5 (5) encouraging the use of telecommunications or
6 telemedicine, as appropriate;

7 (6) prioritizing the provision of loan reimbursements
8 and stipends to health professionals who are not eligible for any
9 other state loan forgiveness, loan repayment, or stipend program;

10 (7) prioritizing the provision of loan reimbursements
11 and stipends to health professionals who are graduates of health
12 professional degree programs in this state;

13 (8) encouraging a medically underserved community
14 served by a loan reimbursement or stipend recipient to contribute
15 to the cost of the loan reimbursement or stipend when making a
16 contribution is feasible; and

17 (9) requiring a medically underserved community
18 served by a loan reimbursement or stipend recipient to assist the
19 office in contracting with the loan reimbursement or stipend
20 recipient who will serve that community.

21 (b) The board [~~executive committee~~] by rule may designate
22 areas of the state as medically underserved communities.

23 (c) The board [~~executive committee~~] shall make reasonable
24 efforts to contract with health professionals from a variety of
25 different health professions.

26 SECTION 45. Section 487.608(a), Government Code, is amended
27 to read as follows:

1 (a) The rural physician relief advisory committee is
2 composed of the following members appointed by the board [~~executive~~
3 ~~committee~~]:

4 (1) a physician who practices in the area of general
5 family medicine in a rural county;

6 (2) a physician who practices in the area of general
7 internal medicine in a rural county;

8 (3) a physician who practices in the area of general
9 pediatrics in a rural county;

10 (4) a representative from an accredited Texas medical
11 school;

12 (5) a program director from an accredited primary care
13 residency program;

14 (6) a representative from the Texas Higher Education
15 Coordinating Board; and

16 (7) a representative from the Texas [~~State Board of~~
17 Medical Board [~~Examiners~~].

18 SECTION 46. Section 110.003(a), Health and Safety Code, is
19 amended to read as follows:

20 (a) The Rural Foundation is governed by a board of five
21 directors appointed by the board [~~executive committee~~] of the
22 Office of Rural Community Affairs from individuals recommended by
23 the executive director of the Office of Rural Community Affairs.

24 SECTION 47. Section 110.010, Health and Safety Code, is
25 amended to read as follows:

26 Sec. 110.010. MEMORANDUM OF UNDERSTANDING. The Rural
27 Foundation and the Office of Rural Community Affairs shall enter

1 into a memorandum of understanding that:

2 (1) requires the board of directors and staff of the
3 foundation to report to the executive director and board [~~executive~~
4 ~~committee~~] of the Office of Rural Community Affairs;

5 (2) allows the Office of Rural Community Affairs to
6 provide staff functions to the foundation;

7 (3) allows the Office of Rural Community Affairs to
8 expend funds on the foundation; and

9 (4) outlines the financial contributions to be made to
10 the foundation from funds obtained from grants and other sources.

11 SECTION 48. (a) The nine members of the executive committee
12 of the Office of Rural Community Affairs who are serving
13 immediately before September 1, 2007, continue to serve as members
14 of the governing board of the office on and after that date
15 regardless of whether those members meet the membership
16 requirements prescribed by Subchapter B, Chapter 487, Government
17 Code, as amended by this Act. However, the positions of those nine
18 members are abolished on the date on which a majority of the 11
19 board membership positions that are created under Section 487.021,
20 Government Code, as amended by this Act, are filled and the
21 appointees qualify for office.

22 (b) The governor, the lieutenant governor, and the speaker
23 of the house of representatives shall make the 10 appointments to
24 the board under Section 487.021, Government Code, as amended by
25 this Act, as soon as possible on or after September 1, 2007. In
26 making the initial appointments, the governor shall designate two
27 members for terms expiring February 1, 2009, one member for a term

1 expiring February 1, 2011, and one member for a term expiring
2 February 1, 2013. In making the initial appointments, the
3 lieutenant governor and the speaker of the house shall each
4 designate one nonlegislative member for a term expiring February 1,
5 2011, and one nonlegislative member for a term expiring February 1,
6 2013. Any person who served as a member of the executive committee
7 before September 1, 2007, may be appointed to the board.

8 SECTION 49. This Act takes effect immediately if it
9 receives a vote of two-thirds of all the members elected to each
10 house, as provided by Section 39, Article III, Texas Constitution.
11 If this Act does not receive the vote necessary for immediate
12 effect, this Act takes effect September 1, 2007.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 27, 2007

TO: Honorable Sid Miller, Chair, House Committee on Agriculture & Livestock

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: **HB2542** by Kolkhorst (Relating to the continuation and functions of the Office of Rural Community Affairs.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Government Code to continue the Office of Rural Community Affairs (ORCA) for eight years. The bill would modify the executive committee from a committee made up of nine members to a board with 11 members. The bill would narrow ORCA's powers and duties to include assisting rural communities in the key areas of economic development, community development, rural health, and rural housing; serve as a clearinghouse for information and resources on all state and federal programs affecting rural communities; identify and prioritize policy issues and concerns affecting rural communities in the state; and make recommendations to the legislature to address the concerns affecting rural communities. The bill would authorize ORCA to collocate its field staff in the Department of Agriculture's offices and work in conjunction with the Department of Agriculture to regularly cross-train office employees regarding the programs administered and services provided by each agency to rural communities. The bill would require the board to review grant applications and approve grant and loan awards. The bill would require ORCA to work in consultation with the Department of Agriculture to evaluate and streamline the administration of the rural Community Development Block Grant (CDBG) program.

Based on information provided by ORCA, the Department of Agriculture, and the Sunset Advisory Commission, it is assumed that any additional costs related to the duties and responsibilities associated with implementing the provisions of the bill could be covered by utilizing existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 357 Office of Rural Community Affairs, 551 Department of Agriculture

LBB Staff: JOB, WK, AH

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 2, 2007

TO: Honorable Sid Miller, Chair, House Committee on Agriculture & Livestock

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: **HB2542** by Kolkhorst (Relating to the continuation and functions of the Office of Rural Community Affairs.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Government Code to continue the Office of Rural Community Affairs (ORCA) for four years. The bill would modify the executive committee from a committee made up of nine members to a board with 11 members. The bill would narrow ORCA's powers and duties to include assisting rural communities in the key areas of economic development, community development, rural health, and natural resources; serve as a clearinghouse for information and resources on all state and federal programs affecting rural communities; identify and prioritize policy issues and concerns affecting rural communities in the state; and make recommendations to the legislature to address the concerns affecting rural communities. The bill would require ORCA to collocate its field staff in the Department of Agriculture's offices and work in conjunction with the Department of Agriculture to regularly cross-train office employees regarding the programs administered and services provided by each agency to rural communities. The bill would require the State Review Committee to review grant applications and approve grant and loan awards. The bill would require ORCA to work in consultation with the Department of Agriculture to evaluate and streamline the administration of the rural Community Development Block Grant (CDBG) program.

Based on information provided by ORCA, the Department of Agriculture, and the Sunset Advisory Commission, it is assumed that any additional costs related to the duties and responsibilities associated with implementing the provisions of the bill could be covered by utilizing existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 357 Office of Rural Community Affairs, 551 Department of Agriculture

LBB Staff: JOB, WK, AH

1-1 By: Kolkhorst, et al. (Senate Sponsor - Estes) H.B. No. 2542
1-2 (In the Senate - Received from the House May 8, 2007;
1-3 May 10, 2007, read first time and referred to Committee on
1-4 Government Organization; May 17, 2007, reported favorably by the
1-5 following vote: Yeas 4, Nays 0; May 17, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the continuation and functions of the Office of Rural
1-9 Community Affairs.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 487.001(1), Government Code, is amended
1-12 to read as follows:

1-13 (1) "Board" ["Executive committee"] means the board
1-14 [executive committee] of the Office of Rural Community Affairs.

1-15 SECTION 2. Section 487.002, Government Code, is amended to
1-16 read as follows:

1-17 Sec. 487.002. SUNSET PROVISION. The Office of Rural
1-18 Community Affairs is subject to Chapter 325 (Texas Sunset Act).
1-19 Unless continued in existence as provided by that chapter, the
1-20 office is abolished and this chapter expires September 1, 2015
1-21 [2007].

1-22 SECTION 3. Section 487.021, Government Code, is amended to
1-23 read as follows:

1-24 Sec. 487.021. BOARD [EXECUTIVE COMMITTEE]. (a) The board
1-25 [executive committee] is the governing body of the office.

1-26 (b) The board [executive committee] is composed of the
1-27 following ~~11~~ [nine] members:

1-28 (1) four [three] members who represent different
1-29 geographic regions of the state appointed by the governor,
1-30 including:

1-31 (A) two locally elected rural city or county
1-32 officials or city or county employees involved with rural
1-33 development; and

1-34 (B) two public members each of whom resides in a
1-35 rural city or county;

1-36 (2) three members appointed by the lieutenant
1-37 governor, including:

1-38 (A) one senator who resides in a rural city or
1-39 county; and

1-40 (B) two public members each of whom resides in a
1-41 rural city or county and is interested in rural issues; [and]

1-42 (3) three members appointed by the speaker of the
1-43 house of representatives, including:

1-44 (A) one member of the house of representatives
1-45 who resides in a rural city or county; and

1-46 (B) two public members each of whom resides in a
1-47 rural city or county and is interested in rural issues; and

1-48 (4) the commissioner of agriculture or the
1-49 commissioner's designee.

1-50 (b-1) The two board members who are members of the
1-51 legislature are nonvoting members.

1-52 (c) In this section, "rural city or county" means a rural
1-53 city or county as defined by the federal community development
1-54 block grant nonentitlement program. [The governor, the lieutenant
1-55 governor, and the speaker of the house of representatives shall
1-56 each appoint at least two members who possess a strong
1-57 understanding of and commitment to rural interests based on the
1-58 individual's personal history, including residency, occupation,
1-59 and business or civic activities.]

1-60 (d) Appointments to the board [executive committee] shall
1-61 be made without regard to the race, color, disability, sex,
1-62 religion, age, or national origin of the appointees.

1-63 (e) The members of the board who are not serving as an
1-64 additional duty of an office in state government [executive

~~committee~~] serve for staggered six-year terms, with the terms of two or three members expiring February 1 of each odd-numbered year. A member of the legislature serves at the will of the appointing authority.

(f) Board ~~[Executive committee]~~ members receive no compensation but are entitled to reimbursement of actual and necessary expenses incurred in the performance of their duties.

(g) The governor shall designate a member ~~[The members]~~ of the board as the ~~[executive committee annually shall elect a]~~ presiding officer ~~[from among the members]~~ of the board to serve in that capacity at the will of the governor ~~[executive committee]~~.

(h) Service on the board by a member of the legislature, the commissioner of agriculture, or an officer of a county or municipality is an additional duty of the individual's office.

SECTION 4. Sections 487.022(b) and (c), Government Code, are amended to read as follows:

(b) A person may not be a member of the board ~~[executive committee]~~ and may not be an office employee employed in a "bona fide executive, administrative, or professional capacity," as that phrase is used for purposes of establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.) and its subsequent amendments, if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in the field of rural affairs; or

(2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the field of rural affairs.

(c) A person may not be a member of the board ~~[executive committee]~~ or act as the general counsel to the board ~~[executive committee]~~ or the office if the person is required to register as a lobbyist under Chapter 305 because of the person's activities for compensation on behalf of a profession related to the operation of the office.

SECTION 5. Sections 487.023 through 487.027, Government Code, are amended to read as follows:

Sec. 487.023. TRAINING FOR MEMBERS OF BOARD ~~[EXECUTIVE COMMITTEE]~~. (a) A person who is appointed to and qualifies for office as a member of the board ~~[executive committee]~~ may not vote, deliberate, or be counted as a member in attendance at a meeting of the board ~~[executive committee]~~ until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

(1) the legislation that created the office ~~[and the executive committee]~~;

(2) the programs, ~~[operated by the office,~~

~~[(3) the role and] functions, [of the office,~~

~~[(4) the] rules, [of the office, with an emphasis on any rules that relate to disciplinary] and [investigatory authority,~~

~~[(5) the current] budget of [for] the office;~~

(3) ~~[(6)]~~ the results of the most recent formal audit of the office;

(4) ~~[(7)]~~ the requirements of laws relating to~~+~~

~~[(A) the] open meetings [law], [Chapter 551,~~

~~[(B) the] public information [law], [Chapter 552,~~

~~[(C) the] administrative procedure [law], [Chapter 2001,~~ and conflicts of interest

~~[(D) other laws relating to public officials, including conflict-of-interest laws]; and~~

(5) ~~[(8)]~~ any applicable ethics policies adopted by the office ~~[executive committee]~~ or the Texas Ethics Commission.

(c) A person appointed to the board ~~[executive committee]~~ is entitled to reimbursement, as provided by ~~[general law and]~~ the General Appropriations Act, for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for

office.

Sec. 487.024. REMOVAL. (a) It is a ground for removal from the board ~~[executive committee]~~ that a member:

(1) does not have at the time of taking office the qualifications required by Section 487.021;

(2) does not maintain during service on the board ~~[executive committee]~~ the qualifications required by Section 487.021;

(3) is ineligible for membership under Section 487.022;

(4) cannot, because of illness or disability, discharge the member's duties for a substantial part of the member's term; or

(5) is absent from more than half of the regularly scheduled board ~~[executive committee]~~ meetings that the member is eligible to attend during a calendar year without an excuse approved by a majority vote of the board ~~[executive committee]~~.

(b) The validity of an action of the board ~~[executive committee]~~ is not affected by the fact that it is taken when a ground for removal of a board ~~[an executive committee]~~ member exists.

(c) If the executive director has knowledge that a potential ground for removal exists, the executive director shall notify the presiding officer of the board ~~[executive committee]~~ of the potential ground. The presiding officer shall then notify the appointing authority ~~[governor]~~ and the attorney general that a potential ground for removal exists. If the potential ground for removal involves the presiding officer, the executive director shall notify the next highest ranking officer of the board ~~[executive committee]~~, who shall then notify the appointing authority ~~[governor]~~ and the attorney general that a potential ground for removal exists.

Sec. 487.025. DIVISION OF RESPONSIBILITY. The board ~~[executive committee]~~ shall develop and implement policies that clearly separate the policy-making responsibilities of the board ~~[executive committee]~~ and the management responsibilities of the executive director and staff of the office.

Sec. 487.026. EXECUTIVE DIRECTOR. (a) The board ~~[executive committee]~~ may hire an executive director to serve as the chief executive officer of the office and to perform the administrative duties of the office.

(b) The executive director serves at the will of the board ~~[executive committee]~~.

(c) The executive director may hire staff within guidelines established by the board ~~[executive committee]~~.

Sec. 487.027. PUBLIC HEARINGS. The board ~~[executive committee]~~ shall develop and implement policies that provide the public with a reasonable opportunity to appear before the board ~~[executive committee]~~ and to speak on any issue under the jurisdiction of the office.

SECTION 6. Section 487.029, Government Code, is amended to read as follows:

Sec. 487.029. STANDARDS OF CONDUCT. The executive director or the executive director's designee shall provide to members of the board ~~[executive committee]~~ and to agency employees, as often as necessary, information regarding the requirements for office or employment under this chapter, including information regarding a person's responsibilities under applicable laws relating to standards of conduct for state officers or employees.

SECTION 7. Section 487.030, Government Code, is amended to read as follows:

Sec. 487.030. COMPLAINTS. (a) The office shall maintain a system to promptly and efficiently act on complaints ~~[file on each written complaint]~~ filed with the office. The office shall maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition ~~[The file must include:~~

~~-(1) the name of the person who filed the complaint,~~

4-1 ~~[(2) the date the complaint is received by the office,~~
 4-2 ~~[(3) the subject matter of the complaint,~~
 4-3 ~~[(4) the name of each person contacted in relation to~~
 4-4 ~~the complaint,~~
 4-5 ~~[(5) a summary of the results of the review or~~
 4-6 ~~investigation of the complaint, and~~
 4-7 ~~[(6) an explanation of the reason the file was closed,~~
 4-8 ~~if the office closed the file without taking action other than to~~
 4-9 ~~investigate the complaint].~~

4-10 (b) The office shall make information available describing
 4-11 its [provide to the person filing the complaint and to each person
 4-12 who is a subject of the complaint a copy of the office's policies
 4-13 and] procedures for [relating to] complaint investigation and
 4-14 resolution.

4-15 (c) The office[, at least quarterly until final disposition
 4-16 of the complaint,] shall periodically notify the complaint parties
 4-17 [person filing the complaint and each person who is a subject of the
 4-18 complaint] of the status of the complaint until final disposition
 4-19 [investigation unless the notice would jeopardize an undercover
 4-20 investigation].

4-21 SECTION 8. Subchapter B, Chapter 487, Government Code, is
 4-22 amended by adding Sections 487.031 and 487.032 to read as follows:

4-23 Sec. 487.031. USE OF TECHNOLOGY. The board shall implement
 4-24 a policy requiring the office to use appropriate technological
 4-25 solutions to improve the office's ability to perform its functions.
 4-26 The policy must ensure that the public is able to interact with the
 4-27 office on the Internet.

4-28 Sec. 487.032. NEGOTIATED RULEMAKING AND ALTERNATIVE
 4-29 DISPUTE RESOLUTION PROCEDURES. (a) The board shall develop and
 4-30 implement a policy to encourage the use of:

4-31 (1) negotiated rulemaking procedures under Chapter
 4-32 2008 for the adoption of office rules; and

4-33 (2) appropriate alternative dispute resolution
 4-34 procedures under Chapter 2009 to assist in the resolution of
 4-35 internal and external disputes under the office's jurisdiction.

4-36 (b) The office's procedures relating to alternative dispute
 4-37 resolution must conform, to the extent possible, to any model
 4-38 guidelines issued by the State Office of Administrative Hearings
 4-39 for the use of alternative dispute resolution by state agencies.

4-40 (c) The board shall designate a trained person to:
 4-41 (1) coordinate the implementation of the policy
 4-42 adopted under Subsection (a);

4-43 (2) serve as a resource for any training needed to
 4-44 implement the procedures for negotiated rulemaking or alternative
 4-45 dispute resolution; and

4-46 (3) collect data concerning the effectiveness of those
 4-47 procedures, as implemented by the office.

4-48 SECTION 9. Section 487.051, Government Code, is amended to
 4-49 read as follows:

4-50 Sec. 487.051. POWERS AND DUTIES. (a) The office shall:
 4-51 (1) assist rural communities in the key areas of
 4-52 economic development, community development, rural health, and
 4-53 rural housing [develop a rural policy for the state in consultation
 4-54 with local leaders representing all facets of rural community life,
 4-55 academic and industry experts, and state elected and appointed
 4-56 officials with interests in rural communities];

4-57 (2) serve as a clearinghouse for information and
 4-58 resources on all state and federal programs affecting rural
 4-59 communities [work with other state agencies and officials to
 4-60 improve the results and the cost-effectiveness of state programs
 4-61 affecting rural communities through coordination of efforts];

4-62 (3) in consultation with rural community leaders,
 4-63 locally elected officials, state elected and appointed officials,
 4-64 academic and industry experts, and the interagency work group
 4-65 created under this chapter, identify and prioritize policy issues
 4-66 and concerns affecting rural communities in the state [develop
 4-67 programs to improve the leadership capacity of rural community
 4-68 leaders];

4-69 (4) make recommendations to the legislature to address

the concerns affecting rural communities identified under Subdivision (3);

(5) monitor developments that have a substantial effect on rural Texas communities, especially actions of state government, and compile an annual report describing and evaluating the condition of rural communities;

(6) ~~[(5)]~~ administer the federal community development block grant nonentitlement program;

(7) ~~[(6)]~~ administer programs supporting rural health care as provided by this chapter;

(8) ~~[(7)]~~ perform research to determine the most beneficial and cost-effective ways to improve the welfare of rural communities;

(9) ~~[(8)]~~ ensure that the office qualifies as the state's office of rural health for the purpose of receiving grants from the Office of Rural Health Policy of the United States Department of Health and Human Services under 42 U.S.C. Section 254r;

(10) ~~[(9)]~~ manage the state's Medicare rural hospital flexibility program under 42 U.S.C. Section 1395i-4; ~~[and]~~

(11) ~~[(10)]~~ seek state and federal money available for economic development in rural areas for programs under this chapter; and

(12) in conjunction with the Department of Agriculture, regularly cross-train office employees with employees of the Department of Agriculture regarding the programs administered and services provided by each agency to rural communities.

(b) The office may require office employees who work at locations other than the central office to be based in Department of Agriculture offices.

SECTION 10. Section 487.052, Government Code, is amended to read as follows:

Sec. 487.052. RULES. The board ~~[executive committee]~~ may adopt rules as necessary to implement this chapter.

SECTION 11. Section 487.053(b), Government Code, is amended to read as follows:

(b) All gifts, grants, and donations must be accepted in an open meeting by a majority of the voting members of the board ~~[executive committee]~~ and reported in the public record of the meeting with the name of the donor and purpose of the gift, grant, or donation.

SECTION 12. Section 487.054(b), Government Code, is amended to read as follows:

(b) The board ~~[executive committee]~~ shall call the annual meeting. The board ~~[executive committee]~~ shall set the time and date of the meeting after consulting with the agency heads listed in Subsection (a).

SECTION 13. Section 487.055, Government Code, is amended to read as follows:

Sec. 487.055. ADVISORY COMMITTEES. The board ~~[executive committee]~~ may appoint advisory committees as necessary to assist the board ~~[executive committee]~~ in performing its duties. An advisory committee may be composed of private citizens and representatives from state and local governmental entities. A state or local governmental entity shall appoint a representative to an advisory committee at the request of the board ~~[executive committee]~~. Chapter 2110 does not apply to an advisory committee created under this section.

SECTION 14. Section 487.056, Government Code, is amended by adding Subsection (c) to read as follows:

(c) The office shall obtain information on the availability of housing in rural communities throughout the state for all income levels. The office shall include the information, and the office's assessment of the information, in the office's report to the legislature.

SECTION 15. Section 487.057(b), Government Code, is amended to read as follows:

(b) The office shall submit the rural health work plan to

the board [~~executive committee~~] for approval. The board [~~executive committee~~] shall approve the rural health work plan not later than August 1 of each odd-numbered year.

SECTION 16. Sections 487.059(b), (c), (e), (f), and (g), Government Code, are amended to read as follows:

(b) If a member of the board [~~executive committee~~] or a [~~another~~] committee established under this chapter, including an advisory committee, has a financial interest in an entity that applies for a monetary award, the board or committee member shall, before a vote on the monetary award, disclose the fact of the board or committee member's financial interest. The board or committee shall enter the disclosure into the minutes of the meeting at which a vote on the monetary award is taken. The board or committee member may not vote on or otherwise participate in a discussion or any other activity that relates to awarding the monetary award. If the board or committee member does not comply with this subsection, the entity is not eligible for the monetary award.

(c) If the executive director or another office employee has a financial interest in an entity that applies for a monetary award, the executive director or employee:

(1) shall, as soon as possible, disclose to the board [~~executive committee~~] the fact of the director's or employee's financial interest;

(2) may not participate in staff evaluations regarding the monetary award; and

(3) if the executive director or employee under office procedures may [~~has a~~] vote, or make a recommendation concerning a vote, on a matter that involves the monetary award:

(A) shall disclose the fact of the director's or employee's financial interest before a vote on the monetary award, which the board or committee shall enter into the minutes of the meeting at which a vote on the monetary award is taken; and

(B) may not vote on or otherwise participate in a discussion or any other activity that relates to awarding the monetary award.

(e) Subsections (f) and (g) apply only to a member of the board or a [~~executive~~] committee who is employed by:

(1) an entity that offers to enter into a contract with the office; or

(2) an entity that is under common ownership or governance with or otherwise affiliated with an entity that applies for a monetary award or offers to enter into a contract with the office.

(f) The board or [~~executive~~] committee member shall, before a vote on the monetary award or contract, disclose the fact of the member's employment by the entity. The board or [~~executive~~] committee shall enter the disclosure into the minutes of the meeting at which a vote on the monetary award or contract is taken. The board or [~~executive~~] committee member may not vote on or otherwise participate in a discussion or any other activity that relates to awarding the monetary award or contract.

(g) If the board or [~~executive~~] committee member does not comply with Subsection (f), the entity is not eligible to be awarded the monetary award or contract.

SECTION 17. Sections 487.103(a), (b), and (c), Government Code, are amended to read as follows:

(a) The selection committee shall advise the board [~~executive committee~~] on the progress of the program.

(b) The selection committee is composed of 12 members appointed by the board [~~executive committee~~].

(c) The board [~~executive committee~~] shall consider geographical representation in making appointments to the selection committee.

SECTION 18. Sections 487.104(b) and (d), Government Code, are amended to read as follows:

(b) The selection committee shall make selections based on criteria approved by the board [~~executive committee~~] and adopted as a rule of the office.

(d) The selection committee shall recommend to the board

7-1 ~~[executive committee]~~ guidelines to be used by rural communities in
 7-2 the selection of students for nomination and sponsorship as
 7-3 outstanding rural scholars.

7-4 SECTION 19. Section 487.107, Government Code, is amended to
 7-5 read as follows:

7-6 Sec. 487.107. AWARDING OF LOANS. (a) The selection
 7-7 committee shall recommend to the board ~~[executive committee]~~
 7-8 guidelines for the awarding of forgivable loans to outstanding
 7-9 rural scholars.

7-10 (b) The board ~~[executive committee]~~, acting on the advice of
 7-11 the selection committee, shall award forgivable loans to
 7-12 outstanding rural scholars based on the availability of money in
 7-13 the fund.

7-14 (c) If in any year the fund is inadequate to provide loans to
 7-15 all eligible applicants, the board ~~[executive committee]~~ shall
 7-16 award forgivable loans on a priority basis according to the
 7-17 applicants' academic performance, test scores, and other criteria
 7-18 of eligibility.

7-19 SECTION 20. Section 487.108(a), Government Code, is amended
 7-20 to read as follows:

7-21 (a) On confirmation of an outstanding rural scholar's
 7-22 admission to a postsecondary educational institution, or on receipt
 7-23 of an enrollment report of the scholar at a postsecondary
 7-24 educational institution, and a certification of the amount of
 7-25 financial support needed, the selection committee annually shall
 7-26 recommend to the board ~~[executive committee]~~ that the board
 7-27 ~~[committee]~~ award a forgivable loan to the scholar in the amount of
 7-28 50 percent of the cost of the scholar's tuition, fees, educational
 7-29 materials, and living expenses.

7-30 SECTION 21. Sections 487.109(b), (c), and (d), Government
 7-31 Code, are amended to read as follows:

7-32 (b) The sponsoring community shall report to the board
 7-33 ~~[executive committee]~~ the length of time the scholar practices as a
 7-34 health care professional in the community.

7-35 (c) If the board ~~[executive committee]~~ finds that a
 7-36 sponsoring community is not in need of the scholar's services and
 7-37 that the community is willing to forgive repayment of the principal
 7-38 balance and interest of the scholar's loan, the board ~~[executive~~
 7-39 ~~committee]~~ by rule may provide for the principal balance and
 7-40 interest of one year of the scholar's loan to be forgiven for each
 7-41 year the scholar practices in another rural community in this
 7-42 state.

7-43 (d) Any amount of loan principal or interest that is not
 7-44 forgiven under this section shall be repaid to the office with
 7-45 reasonable collection fees in a timely manner as provided by board
 7-46 ~~[executive committee]~~ rule.

7-47 SECTION 22. Section 487.112, Government Code, is amended to
 7-48 read as follows:

7-49 Sec. 487.112. ADOPTION AND DISTRIBUTION OF RULES. (a) The
 7-50 board ~~[executive committee]~~ shall adopt reasonable rules to enforce
 7-51 the requirements, conditions, and limitations under this
 7-52 subchapter.

7-53 (b) The board ~~[executive committee]~~ shall set the rate of
 7-54 interest charged on a forgivable loan under this subchapter.

7-55 (c) The board ~~[executive committee]~~ shall adopt rules
 7-56 necessary to ensure compliance with the federal Civil Rights Act of
 7-57 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
 7-58 in admissions.

7-59 SECTION 23. Section 487.154, Government Code, is amended to
 7-60 read as follows:

7-61 Sec. 487.154. LOANS. (a) The board ~~[executive committee]~~
 7-62 may award forgivable educational loans to eligible students under
 7-63 this subchapter.

7-64 (b) The board ~~[executive committee]~~ may award forgivable
 7-65 loans to eligible students based on the availability of money in the
 7-66 fund.

7-67 (c) If in any year the fund is inadequate to provide loans to
 7-68 all eligible students, the board ~~[executive committee]~~ may award
 7-69 forgivable loans on a priority basis according to the students'

academic performance, test scores, and other criteria of eligibility.

SECTION 24. Section 487.155(a), Government Code, is amended to read as follows:

(a) To be eligible to receive a loan under this subchapter, a student must:

(1) be sponsored by an eligible community;
 (2) at the time of the application for the loan, be enrolled in high school or enrolled or accepted for enrollment in a postsecondary educational institution in this state;

(3) meet academic requirements as established by the board ~~[executive committee]~~;

(4) plan to complete a health care professional degree or certificate program;

(5) plan to practice as a health care professional in a qualified area of the state; and

(6) meet other requirements as established by the board ~~[executive committee]~~.

SECTION 25. Section 487.156(c), Government Code, is amended to read as follows:

(c) The board ~~[executive committee]~~ shall determine the percentage of educational expenses communities are required to provide under this section.

SECTION 26. Section 487.157(a), Government Code, is amended to read as follows:

(a) On confirmation of an eligible student's admission to a postsecondary educational institution, or on receipt of an enrollment report of the student at a postsecondary educational institution, and certification of the amount of financial support needed, the board ~~[executive committee]~~ may award a forgivable loan to the student in the amount of not more than the cost of the student's tuition, fees, educational materials, and living expenses.

SECTION 27. Section 487.158(b), Government Code, is amended to read as follows:

(b) The contract must provide that if the student does not provide the required services to the community or provides those services for less than the required time, the student is personally liable to the state for:

(1) the total amount of assistance the student receives from the office and the sponsoring community;

(2) interest on the total amount at a rate set by the board ~~[executive committee]~~; and

(3) the state's reasonable expenses incurred in obtaining payment, including reasonable attorney's fees.

SECTION 28. Section 487.159(b), Government Code, is amended to read as follows:

(b) If the board ~~[executive committee]~~ finds that a sponsoring community is not in need of the student's services and that the community is willing to forgive repayment of the principal balance and interest of the student's loan, the board ~~[executive committee]~~ by rule may provide for the principal balance and interest of the student's loan to be forgiven if the student provides services in another qualified area in this state.

SECTION 29. Sections 487.161(b) and (c), Government Code, are amended to read as follows:

(b) The sponsoring community shall report to the board ~~[executive committee]~~ the length of time the student provides health care services in the community in accordance with the guidelines established by the board ~~[executive committee]~~.

(c) A postsecondary educational institution shall provide to the board ~~[executive committee]~~ a copy of the academic transcript of each student for whom the institution has received a release that complies with state and federal open records laws and that authorizes the provision of the transcript.

SECTION 30. Section 487.163, Government Code, is amended to read as follows:

Sec. 487.163. ADOPTION OF RULES. (a) The board ~~[executive committee]~~ shall adopt reasonable rules to enforce the

requirements, conditions, and limitations of this subchapter.

(b) The board [~~executive committee~~] shall set the rate of interest charged on a forgivable loan under this subchapter.

(c) The board [~~executive committee~~] shall adopt rules necessary to ensure compliance with the federal Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination in admissions.

SECTION 31. Sections 487.202, 487.203, and 487.204, Government Code, are amended to read as follows:

Sec. 487.202. PROGRAM. (a) The board [~~executive committee~~] shall establish and administer a program under this subchapter to increase the number of physicians providing primary care in medically underserved communities.

(b) A medically underserved community may sponsor a physician who has completed a primary care residency program and has agreed to provide primary care in the community by contributing start-up money for the physician and having that contribution matched wholly or partly by state money appropriated to the office [~~executive committee~~] for that purpose.

(c) A participating medically underserved community may provide start-up money to an eligible physician over a two-year period.

(d) The office [~~executive committee~~] may not pay more than \$25,000 to a community in a fiscal year unless the board [~~executive committee~~] makes a specific finding of need by the community.

(e) The board [~~executive committee~~] shall establish priorities so that the neediest communities eligible for assistance under this subchapter are assured the receipt of a grant.

Sec. 487.203. ELIGIBILITY. To be eligible to receive money from the office [~~executive committee~~], a medically underserved community must:

- (1) apply for the money; and
- (2) provide evidence satisfactory to the board [~~executive committee~~] that it has entered into an agreement with a physician for the physician to provide primary care in the community for at least two years.

Sec. 487.204. RULES. The board [~~executive committee~~] shall adopt rules necessary for the administration of this subchapter, including rules addressing:

- (1) eligibility criteria for a medically underserved community;
- (2) eligibility criteria for a physician;
- (3) minimum and maximum community contributions to the start-up money for a physician to be matched with state money;
- (4) conditions under which state money must be repaid by a community or physician;
- (5) procedures for disbursement of money by the office [~~executive committee~~];
- (6) the form and manner in which a community must make its contribution to the start-up money; and
- (7) the contents of an agreement to be entered into by the parties, which must include at least:
 - (A) a credit check for an eligible physician; and
 - (B) community retention of interest in any property, equipment, or durable goods for seven years.

SECTION 32. Section 487.252, Government Code, is amended to read as follows:

Sec. 487.252. TEXAS HEALTH SERVICE CORPS PROGRAM. (a) The board [~~executive committee~~] shall establish a program in the office to assist communities in recruiting and retaining physicians to practice in medically underserved areas.

(b) The board [~~executive committee~~] by rule shall establish:

- (1) eligibility criteria for applicants;
 - (2) stipend application procedures;
 - (3) guidelines relating to stipend amounts;
 - (4) procedures for evaluating stipend applications;
- and
- (5) a system of priorities relating to the:

10-1 (A) geographic areas covered;
 10-2 (B) medical specialties eligible to receive
 10-3 funding under the program; and
 10-4 (C) level of stipend support.

10-5 SECTION 33. Section 487.253(a), Government Code, is amended
 10-6 to read as follows:

10-7 (a) The board [~~executive committee~~] shall adopt rules
 10-8 necessary to administer this subchapter, and the office shall
 10-9 administer the program in accordance with those rules.

10-10 SECTION 34. Section 487.351, Government Code, is amended by
 10-11 adding Subsection (c) to read as follows:

10-12 (c) The office shall give priority to eligible activities in
 10-13 the areas of economic development, community development, rural
 10-14 health, and rural housing to support workforce development in
 10-15 awarding funding for community development block grant programs.

10-16 SECTION 35. Subchapter I, Chapter 487, Government Code, is
 10-17 amended by adding Section 487.3515 to read as follows:

10-18 Sec. 487.3515. EVALUATION OF COMMUNITY DEVELOPMENT BLOCK
 10-19 GRANT PROGRAM. (a) The office, in consultation with the Department
 10-20 of Agriculture, shall review and evaluate the administration of the
 10-21 state's allocation of federal funds under the community development
 10-22 block grant nonentitlement program and, based on the results of the
 10-23 evaluation, streamline administration of the program and program
 10-24 requirements. The office shall, at a minimum, evaluate:

10-25 (1) combining program fund categories, within
 10-26 allowable limits provided by state statute, the General
 10-27 Appropriations Act, and federal law and regulations;

10-28 (2) simplifying the grant application and scoring
 10-29 process; and

10-30 (3) regularly reviewing and closing out aged
 10-31 contracts.

10-32 (b) The office shall implement program changes resulting
 10-33 from the evaluation that do not require statutory changes as soon as
 10-34 possible, but not later than the date the office publishes the next
 10-35 community development block grant nonentitlement program action
 10-36 plan.

10-37 (c) The office shall include the findings from the
 10-38 evaluation, program changes resulting from the evaluation, and any
 10-39 statutory changes needed to make additional changes in the agency's
 10-40 biennial report to the 81st Legislature.

10-41 (d) This section expires September 1, 2009.

10-42 SECTION 36. Section 487.353, Government Code, is amended by
 10-43 amending Subsections (i) and (j) and adding Subsections (k) and (l)
 10-44 to read as follows:

10-45 (i) The committee shall:

10-46 (1) consult with and advise the executive director on
 10-47 the administration and enforcement of the community development
 10-48 block grant program; and

10-49 (2) in consultation with the executive director and
 10-50 office staff, review and approve grant and loan [funding]
 10-51 applications and associated funding awards of eligible counties and
 10-52 municipalities and advise and assist the executive director
 10-53 regarding the allocation of program funds to those applicants.

10-54 (j) The committee may annually recommend to the executive
 10-55 director a formula for allocating funds to each geographic state
 10-56 planning region established by the governor under Chapter 391,
 10-57 Local Government Code. The formula must give preference to regions
 10-58 according to the regions' needs.

10-59 (k) An applicant for a grant, loan, or award under a
 10-60 community development block grant program may appeal a decision of
 10-61 the committee by filing a complaint with the board. The board shall
 10-62 hold a hearing on a complaint filed with the board under this
 10-63 subsection and render a decision.

10-64 (l) The committee is a governmental body for purposes of the
 10-65 open meetings law, Chapter 551.

10-66 SECTION 37. Section 487.401, Government Code, is amended to
 10-67 read as follows:

10-68 Sec. 487.401. ADMINISTRATION. (a) The board [~~executive~~
 10-69 ~~committee~~] shall adopt rules that establish a procedure for

designating a hospital as a rural hospital in order for the hospital to qualify for federal funds under 42 C.F.R. Part 412.

(b) At the hospital's request, the office shall designate the hospital as a rural hospital if the hospital meets the requirements for a rural hospital under the board's ~~executive committee's~~ rules.

SECTION 38. Section 487.451(1), Government Code, is amended to read as follows:

(1) "Health care professional" means:

- (A) an advanced nurse practitioner;
- (B) a dentist;
- (C) a dental hygienist;
- (D) a laboratory technician;
- (E) a licensed vocational nurse;
- (F) a licensed professional counselor;
- (G) a medical radiological technologist;
- (H) an occupational therapist;
- (I) a pharmacist;
- (J) a physical therapist;
- (K) a physician;
- (L) a physician assistant;
- (M) a psychologist;
- (N) a registered nurse;
- (O) a social worker;
- (P) a speech-language pathologist;
- (Q) a veterinarian;
- (R) a chiropractor; and
- (S) another appropriate health care professional

identified by the board ~~executive committee~~.

SECTION 39. Section 487.452(a), Government Code, is amended to read as follows:

(a) The board ~~executive committee~~, in collaboration with Area Health Education Center Programs, shall establish a community healthcare awareness and mentoring program for students to:

(1) identify high school students in rural and underserved urban areas who are interested in serving those areas as health care professionals;

(2) identify health care professionals in rural and underserved urban areas to act as positive role models, mentors, or reference resources for the interested high school students;

(3) introduce interested high school students to the spectrum of professional health care careers through activities such as health care camps and shadowing of health care professionals;

(4) encourage a continued interest in service as health care professionals in rural and underserved urban areas by providing mentors and community resources for students participating in training or educational programs to become health care professionals; and

(5) provide continuing community-based support for students during the period the students are attending training or educational programs to become health care professionals, including summer job opportunities and opportunities to mentor high school students in the community.

SECTION 40. Section 487.454, Government Code, is amended to read as follows:

Sec. 487.454. GRANTS; ELIGIBILITY. (a) Subject to available funds, the board ~~executive committee~~ shall develop and implement, as a component of the program, a grant program to support employment opportunities in rural and underserved urban areas in this state for students participating in training or educational programs to become health care professionals.

(b) In awarding grants under the program, the board ~~executive committee~~ shall give first priority to grants to training or educational programs that provide internships to students.

(c) To be eligible to receive a grant under the grant program, a person must:

- (1) apply for the grant on a form adopted by the board

12-1 ~~[executive committee];~~

12-2 (2) be enrolled or intend to be enrolled in a training
12-3 or educational program to become a health care professional;

12-4 (3) commit to practice or work, after licensure as a
12-5 health care professional, for at least one year as a health care
12-6 professional in a rural or underserved urban area in this state; and

12-7 (4) comply fully with any practice or requirements
12-8 associated with any scholarship, loan, or other similar benefit
12-9 received by the student.

12-10 (d) As a condition of receiving a grant under the program
12-11 the student must agree to repay the amount of the grant, plus a
12-12 penalty in an amount established by rule of the board ~~[executive~~
12-13 ~~committee]~~ not to exceed two times the amount of the grant, if the
12-14 student becomes licensed as a health care professional and fails to
12-15 practice or work for at least one year as a health care professional
12-16 in a rural or underserved urban area in this state.

12-17 SECTION 41. Section 487.553, Government Code, is amended to
12-18 read as follows:

12-19 Sec. 487.553. LOAN REIMBURSEMENT PROGRAM. The board
12-20 ~~[executive committee]~~ shall establish a program in the office to
12-21 assist communities in recruiting health professionals to practice
12-22 in medically underserved communities by providing loan
12-23 reimbursement for health professionals who serve in those
12-24 communities.

12-25 SECTION 42. Section 487.554(a), Government Code, is amended
12-26 to read as follows:

12-27 (a) The board ~~[executive committee]~~ shall establish a
12-28 program in the office to assist communities in recruiting health
12-29 professionals to practice in medically underserved communities by
12-30 providing a stipend to health professionals who agree to serve in
12-31 those communities.

12-32 SECTION 43. Section 487.555(e), Government Code, is amended
12-33 to read as follows:

12-34 (e) A contract under this section must provide that a health
12-35 professional who does not provide the required services to the
12-36 community or provides those services for less than the required
12-37 time is personally liable to the state for:

12-38 (1) the total amount of assistance the health
12-39 professional received from the office and the medically underserved
12-40 community;

12-41 (2) interest on the amount under Subdivision (1) at a
12-42 rate set by the board ~~[executive committee];~~

12-43 (3) the state's reasonable expenses incurred in
12-44 obtaining payment, including reasonable attorney's fees; and

12-45 (4) a penalty as established by the board ~~[executive~~
12-46 ~~committee]~~ by rule to help ensure compliance with the contract.

12-47 SECTION 44. Section 487.556, Government Code, is amended to
12-48 read as follows:

12-49 Sec. 487.556. POWERS AND DUTIES OF OFFICE. (a) The board
12-50 ~~[executive committee]~~ shall adopt rules necessary for the
12-51 administration of this subchapter, including guidelines for:

12-52 (1) developing contracts under which loan
12-53 reimbursement or stipend recipients provide services to qualifying
12-54 communities;

12-55 (2) identifying the duties of the state, state agency,
12-56 loan reimbursement or stipend recipient, and medically underserved
12-57 community under the loan reimbursement or stipend contract;

12-58 (3) determining a rate of interest to be charged under
12-59 Section 487.555(e)(2);

12-60 (4) ensuring that a loan reimbursement or stipend
12-61 recipient provides access to health services to participants in
12-62 government-funded health benefits programs in qualifying
12-63 communities;

12-64 (5) encouraging the use of telecommunications or
12-65 telemedicine, as appropriate;

12-66 (6) prioritizing the provision of loan reimbursements
12-67 and stipends to health professionals who are not eligible for any
12-68 other state loan forgiveness, loan repayment, or stipend program;

12-69 (7) prioritizing the provision of loan reimbursements

and stipends to health professionals who are graduates of health professional degree programs in this state;

(8) encouraging a medically underserved community served by a loan reimbursement or stipend recipient to contribute to the cost of the loan reimbursement or stipend when making a contribution is feasible; and

(9) requiring a medically underserved community served by a loan reimbursement or stipend recipient to assist the office in contracting with the loan reimbursement or stipend recipient who will serve that community.

(b) The board ~~[executive committee]~~ by rule may designate areas of the state as medically underserved communities.

(c) The board ~~[executive committee]~~ shall make reasonable efforts to contract with health professionals from a variety of different health professions.

SECTION 45. Section 487.608(a), Government Code, is amended to read as follows:

(a) The rural physician relief advisory committee is composed of the following members appointed by the board ~~[executive committee]~~:

(1) a physician who practices in the area of general family medicine in a rural county;

(2) a physician who practices in the area of general internal medicine in a rural county;

(3) a physician who practices in the area of general pediatrics in a rural county;

(4) a representative from an accredited Texas medical school;

(5) a program director from an accredited primary care residency program;

(6) a representative from the Texas Higher Education Coordinating Board; and

(7) a representative from the Texas ~~[State Board of] Medical Board [Examiners]~~.

SECTION 46. Section 110.003(a), Health and Safety Code, is amended to read as follows:

(a) The Rural Foundation is governed by a board of five directors appointed by the board ~~[executive committee]~~ of the Office of Rural Community Affairs from individuals recommended by the executive director of the Office of Rural Community Affairs.

SECTION 47. Section 110.010, Health and Safety Code, is amended to read as follows:

Sec. 110.010. MEMORANDUM OF UNDERSTANDING. The Rural Foundation and the Office of Rural Community Affairs shall enter into a memorandum of understanding that:

(1) requires the board of directors and staff of the foundation to report to the executive director and board ~~[executive committee]~~ of the Office of Rural Community Affairs;

(2) allows the Office of Rural Community Affairs to provide staff functions to the foundation;

(3) allows the Office of Rural Community Affairs to expend funds on the foundation; and

(4) outlines the financial contributions to be made to the foundation from funds obtained from grants and other sources.

SECTION 48. (a) The nine members of the executive committee of the Office of Rural Community Affairs who are serving immediately before September 1, 2007, continue to serve as members of the governing board of the office on and after that date regardless of whether those members meet the membership requirements prescribed by Subchapter B, Chapter 487, Government Code, as amended by this Act. However, the positions of those nine members are abolished on the date on which a majority of the 11 board membership positions that are created under Section 487.021, Government Code, as amended by this Act, are filled and the appointees qualify for office.

(b) The governor, the lieutenant governor, and the speaker of the house of representatives shall make the 10 appointments to the board under Section 487.021, Government Code, as amended by this Act, as soon as possible on or after September 1, 2007. In

14-1 making the initial appointments, the governor shall designate two
14-2 members for terms expiring February 1, 2009, one member for a term
14-3 expiring February 1, 2011, and one member for a term expiring
14-4 February 1, 2013. In making the initial appointments, the
14-5 lieutenant governor and the speaker of the house shall each
14-6 designate one nonlegislative member for a term expiring February 1,
14-7 2011, and one nonlegislative member for a term expiring February 1,
14-8 2013. Any person who served as a member of the executive committee
14-9 before September 1, 2007, may be appointed to the board.

14-10 SECTION 49. This Act takes effect immediately if it
14-11 receives a vote of two-thirds of all the members elected to each
14-12 house, as provided by Section 39, Article III, Texas Constitution.
14-13 If this Act does not receive the vote necessary for immediate
14-14 effect, this Act takes effect September 1, 2007.

14-15 * * * * *

FAVORABLE
SENATE COMMITTEE REPORT ON

SB SCR SJR SR HF HCR HJR 2542
By Kolkhorst / Estes
(Author/Senate Sponsor)
5-17-07
(date)

We, your Committee on GOVERNMENT ORGANIZATION, to which was referred the attached measure,
have on May 16, 2007, had the same under consideration and I am instructed to report it
(date of hearing)
back with the recommendation (s) that it:

☒ do pass and be printed

☐ do pass and be ordered not printed

☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☐ yes ☒ no

Considered by subcommittee. ☐ yes ☒ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Senator Ellis, Chair	<input checked="" type="checkbox"/>			
Senator Hegar, Vice-Chair	<input checked="" type="checkbox"/>			
Senator Brimer	<input checked="" type="checkbox"/>			
Senator Gallegos			<input checked="" type="checkbox"/>	
Senator Jackson			<input checked="" type="checkbox"/>	
Senator Nelson	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Senator Whitmire			<input checked="" type="checkbox"/>	
TOTAL VOTES	<u>4</u>		<u>3</u>	

COMMITTEE ACTION

☒ S260 Considered in public hearing
☒ S270 Testimony taken

Marisa Rodriguez
COMMITTEE CLERK

Rodney Ellis
CHAIR

Paper clip the original and one copy of this signed form to the original bill
Retain one copy of this form for Committee files

WITNESS LIST

HB 2542

Senate Committee Report

Government Organization

May 16, 2007 - 11:00 AM or upon adjournment

ON:

Longely, Joey Director (Sunset Advisory Commission), Austin, TX

Ninaud, Christian Policy Analyst (Sunset Advisory Commission), Austin, TX

Registering, but not testifying:

For:

Knaupe, Gregg (Texas Hospital Association), Austin, TX

On:

Stone, Charles S. Executive Director (Office of Rural Community Affairs), Bastrop, TX

BILL ANALYSIS

Senate Research Center
80R15941 MCK-D

H.B. 2542
By: Kolkhorst et al. (Estes)
Government Organization
5/15/2007
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Created in 2001, the mission of the Office of Rural Community Affairs (office) is to assist rural communities to enhance their quality of life and support their ongoing contributions to the prosperity of Texas. The office is the state's lead agency for administering the federally funded rural Community Development Block Grant program (program), and for administering health programs to assist rural communities. The office has a staff of 70 employees, with eight single-person field offices. The office is subject to the Sunset Act and will be abolished on September 1, 2007, unless continued by the legislature.

H.B. 2542 enacts the recommendations of the Sunset Advisory Commission (commission) by creating a new 11-member board, continuing the agency for an eight-year period, and including several changes in law to address additional areas needing improvement within the office.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of the Office of Rural Community Affairs in SECTION 8 (Section 487.032, Government Code) of this bill.

Rulemaking authority previously expressly granted to the executive committee of the Office of Rural and Community Affairs is transferred to the board of the Office of Rural Community Affairs in SECTION 10 (Section 487.052, Government Code), SECTION 21 (Section 487.109, Government Code), SECTION 22 (Section 487.112, Government Code), SECTION 28 (Section 487.159, Government Code), SECTION 30 (Section 487.163, Government Code), SECTION 31 (Section 487.204, Government Code), SECTION 32 (Section 487.252, Government Code), SECTION 33 (Section 487.253, Government Code), SECTION 37 (Section 487.401, Government Code), SECTION 40 (Section 487.454, Government Code), SECTION 43 (Section 487.555, Government Code), and SECTION 44 (Section 487.556, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 487.001(1), Government Code, to define "board" and to delete the definition of "executive committee."

SECTION 2. Amends Section 487.002, Government Code, to change the sunset date to September 1, 2015, rather than 2007.

SECTION 3. Amends Section 487.021, Government Code, as follows:

Sec. 487.021. New heading: BOARD. (a) Provides that the board of the Office of Rural Community Affairs (board), rather than the executive committee, is the governing body of the Office of Rural Community Affairs (office).

(b) Provides that the board is composed of 11, rather than nine, members and sets forth the specific way in which members are appointed.

(b-1) Provides that the two board members who are members of the legislature are nonvoting members.

(c) Defines "rural city or county." Deletes the provision that the governor, lieutenant governor, and speaker of the house of representatives appoint at least

two members who possess a demonstrated strong understanding of a commitment to rural interests.

(d) Makes a conforming change.

(e) Provides that the members of the board who are not serving an additional duty in a state government office serve staggered six-year terms. Provides that a member of the legislature serves at the will of the appointing authority.

(f) Makes a conforming change.

(g) Requires the governor to designate a member of the board as the presiding officer, rather than requiring the members themselves to elect a presiding officer. Makes conforming changes.

(h) Provides that service on the board by a legislator, the commissioner of agriculture, or an officer of a county or municipality is an additional duty of the individual's office.

SECTION 4. Amends Sections 487.022(b) and (c), Government Code, to make conforming changes.

SECTION 5. Amends Sections 487.023 through 487.027, Government Code, as follows:

Sec. 487.023. New heading: TRAINING FOR MEMBERS OF BOARD. Makes conforming and nonsubstantive changes.

Sec. 487.024. REMOVAL. Makes conforming changes.

Sec. 487.025. DIVISION OF RESPONSIBILITY. Makes conforming changes.

Sec. 487.026. EXECUTIVE DIRECTOR. Makes conforming changes.

Sec. 487.027. PUBLIC HEARINGS. Makes conforming changes.

SECTION 6. Amends Section 487.029, Government Code, to make a conforming change.

SECTION 7. Amends Section 487.030, Government Code, as follows:

Sec. 487.030. COMPLAINTS. (a) Requires the office to maintain a system to promptly and efficiently act on complaints, rather than maintain a file on each written complaint, filed with the office. Requires the office to maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition. Deletes existing text requiring the file to include certain information.

(b) Requires the office to make information available describing its procedures for complaint investigation and resolution. Deletes existing text requiring the office to provide to the person filing the complaint and to each person who is a subject of the complaint a copy of the office's policies and procedures relating to complaint investigation and resolution.

(c) Requires the office periodically, rather than at least quarterly until final disposition of the complaint, to notify the complaint parties of the status of the complaint until final disposition, rather than the status of the investigation unless the notice would jeopardize an undercover investigation.

SECTION 8. Amends Subchapter B, Chapter 487, Government Code, by adding Sections 487.031 and 487.032, as follows:

Sec. 487.031. **USE OF TECHNOLOGY.** Requires the board to implement a policy requiring the office to use appropriate technological solutions to improve the office's ability to perform its functions. Requires the policy to ensure that the public is able to interact with the office on the Internet.

Sec. 487.032. **NEGOTIATED RULEMAKING AND ALTERNATIVE DISPUTE RESOLUTION PROCEDURES.** (a) Requires the board to develop and implement a policy to encourage the use of negotiated rulemaking procedures under Chapter 2008 (Negotiated Rulemaking) for the adoption of office rules and appropriate alternative dispute resolution procedures under Chapter 2009 (Alternative Dispute Resolution for Use by Governmental Bodies) to assist in the resolution of internal and external disputes under the office's jurisdiction.

(b) Requires the office's procedures relating to alternative dispute resolution to conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c) Requires the board to designate a trained person to coordinate the implementation of the policy adopted under Subsection (a), serve as a resource for any training needed to implement the procedures for negotiated rulemaking or alternative dispute resolution, and collect data concerning the effectiveness of those procedures, as implemented by the office.

SECTION 9. Amends Section 487.051, Government Code, as follows:

Sec. 487.051. **POWERS AND DUTIES.** (a) Requires the office to assist rural communities in the key areas of economic development, community development, rural health, and rural housing, serve as a clearinghouse for information and resources on all state and federal programs affecting rural communities, identify and prioritize policy issues and concerns affecting rural communities in the state while in consultation with certain individuals and groups, make recommendations to the legislature to address the concerns affecting rural communities identified under Subdivision (3), and regularly cross-train office employees with employees of the Texas Department of Agriculture (TDA) regarding the programs administered and services provided by each agency to rural communities. Deletes existing text requiring the office to develop a rural policy for the state in consultation with certain individuals, work with other state agencies and officials to improve the results and the cost-effectiveness of state programs affecting rural communities through coordination of efforts, and develop programs to improve the leadership capacity of rural community leaders.

(b) Authorizes the office to require office employees who work at locations other than the central office to be based in TDA offices.

SECTION 10. Amends Section 487.052, Government Code, to make a conforming change.

SECTION 11. Amends Section 487.053(b), Government Code, to make a conforming change.

SECTION 12. Amends Section 487.054(b), Government Code, to make conforming changes.

SECTION 13. Amends Section 487.055, Government Code, to make conforming changes.

SECTION 14. Amends Section 487.056, Government Code, to make conforming changes.

SECTION 15. Amends Section 487.057(b), Government Code, to make conforming changes.

SECTION 16. Amends Sections 487.059(b), (c), (e), (f), and (g), Government Code, as follows:

(b) Makes conforming changes.

(c) Requires an office employee, in addition to the executive director, who has a financial interest in an entity that applies for a monetary award to take certain actions regarding disclosure of that fact and participation in awarding the money set forth in this subsection. Makes conforming changes.

(e) Makes a conforming change.

(f) Makes conforming changes.

(g) Makes a conforming change.

SECTION 17. Amends Sections 487.103(a), (b), and (c), Government Code, to make conforming changes.

SECTION 18. Amends Sections 487.104(b) and (d), Government Code, to make conforming changes.

SECTION 19. Amends Section 487.107, Government Code, to make conforming changes.

SECTION 20. Amends Section 487.108(a), Government Code, to make conforming changes.

SECTION 21. Amends Sections 487.109(b), (c), and (d), Government Code, to make conforming changes.

SECTION 22. Amends Section 487.112, Government Code, to make conforming changes.

SECTION 23. Amends Section 487.154, Government Code, to make conforming changes.

SECTION 24. Amends Section 487.155(a), Government Code, to make conforming changes.

SECTION 25. Amends Section 487.156(c), Government Code, to make a conforming change.

SECTION 26. Amends Section 487.157(a), Government Code, to make a conforming change.

SECTION 27. Amends Section 487.158(b), Government Code, to make a conforming change.

SECTION 28. Amends Sections 487.159(b), Government Code, to make conforming changes.

SECTION 29. Amends Sections 487.161(b) and (c), Government Code, to make conforming changes.

SECTION 30. Amends Section 487.163, Government Code, to make conforming changes.

SECTION 31. Amends Sections 487.202, 487.203, and 487.204, Government Code, to make conforming changes.

SECTION 32. Amends Section 487.252, Government Code, to make conforming changes.

SECTION 33. Amends Section 487.253(a), Government Code, to make a conforming change.

SECTION 34. Amends Section 487.351, Government Code, by adding Subsection (c), to require the office to give priority to eligible activities in the areas of economic development, community development, rural health, and rural housing to support workforce development in awarding funding for community development block grant programs.

SECTION 35. Amends Subchapter I, Chapter 487, Government Code, by adding Section 487.3515, as follows:

Sec. 487.3515. EVALUATION OF COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM. (a) Requires the office, in consultation with TDA to review and evaluate the administration of the state's allocation of federal funds under the community

development block grant nonentitlement program (program) and, based on the results, streamline administration of the program and program requirements. Requires the office, at a minimum, to evaluate certain aspects of the program.

(b) Requires the office to implement non-statutory changes resulting from the evaluation as soon as possible, but no later than the date the office publishes the next program action plan.

(c) Requires the office to include findings from the evaluation, changes resulting from the evaluation, and any statutory changes needed to make additional changes in the agency's biennial report to the 81st Legislature.

(d) Provides that this section expires September 1, 2009.

SECTION 36. Amends Section 487.353, Government Code, by amending Subsections (i) and (j) and adding Subsections (k) and (l), as follows:

(i) Requires the state community development review committee (committee), among other things and in consultation with the executive director and office staff, to review and approve grant and loan applications and associated funding awards of eligible counties and municipalities and advise and assist the executive director regarding the allocation of program funds to those applicants.

(j) Makes no changes to this subsection.

(k) Authorizes an applicant for a grant, loan, or award under a program to appeal a committee decision by filing a complaint with the board. Requires the board to hold a hearing on such a complaint and render a decision.

(l) Provides that the committee is a governmental body for the purposes of the open meetings law, Chapter 551 (Open Meetings).

SECTION 37. Amends Section 487.401, Government Code, to make conforming changes.

SECTION 38. Amends Section 487.451(1), Government Code, to redefine "health care professional."

SECTION 39. Amends Section 487.452(a), Government Code, to make a conforming change.

SECTION 40. Amends Section 487.454, Government Code, to make conforming changes.

SECTION 41. Amends Section 487.553, Government Code, to make a conforming change.

SECTION 42. Amends Section 487.554(a), Government Code, to make a conforming change.

SECTION 43. Amends Section 487.555(e), Government Code, to make conforming changes.

SECTION 44. Amends Section 487.556, Government Code, to make conforming changes.

SECTION 45. Amends Section 487.608(a), Government Code, to make conforming and nonsubstantive changes.

SECTION 46. Amends Section 110.003(a), Health and Safety Code, to make a conforming change.

SECTION 47. Amends Section 110.010, Health and Safety Code, to make a conforming change.

SECTION 48. (a) Authorizes the nine members of the executive committee of the office who are serving immediately before September 1, 2007, to continue to serve as members of the governing board of the office on and after that date regardless of whether they meet the membership requirements prescribed by Subchapter B, Chapter 487, Government Code, as

amended by this Act. Abolishes those positions on the date on which a majority of the 11 board membership positions created under Section 487.021, Government Code, as amended by this Act, are filled and the appointees qualify for office.

(b) Requires the governor, the lieutenant governor, and the speaker of the house of representatives to make the 10 appointments to the board under Section 487.021, Government Code, as amended by this Act, as soon as possible on or after September 1, 2007. Sets forth the specific requirements of each of those persons in making the initial appointments to the board. Authorizes any person who served as a member of the executive committee before September 1, 2007, to be appointed to the board.

SECTION 49. Effective date: upon passage or September 1, 2007.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 11, 2007

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2542 by Kolkhorst (Relating to the continuation and functions of the Office of Rural Community Affairs.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend Government Code to continue the Office of Rural Community Affairs (ORCA) for eight years. The bill would modify the executive committee from a committee made up of nine members to a board with 11 members. The bill would narrow ORCA's powers and duties to include assisting rural communities in the key areas of economic development, community development, rural health, and rural housing; serve as a clearinghouse for information and resources on all state and federal programs affecting rural communities; identify and prioritize policy issues and concerns affecting rural communities in the state; and make recommendations to the legislature to address the concerns affecting rural communities. The bill would authorize ORCA to collocate its field staff in the Department of Agriculture's offices and work in conjunction with the Department of Agriculture to regularly cross-train office employees regarding the programs administered and services provided by each agency to rural communities. The bill would require the board to review grant applications and approve grant and loan awards. The bill would require ORCA to work in consultation with the Department of Agriculture to evaluate and streamline the administration of the rural Community Development Block Grant (CDBG) program.

Based on information provided by ORCA, the Department of Agriculture, and the Sunset Advisory Commission, it is assumed that any additional costs related to the duties and responsibilities associated with implementing the provisions of the bill could be covered by utilizing existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 357 Office of Rural Community Affairs, 551 Department of Agriculture

LBB Staff: JOB, MN, WK, AH

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 27, 2007

TO: Honorable Sid Miller, Chair, House Committee on Agriculture & Livestock

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: **HB2542** by Kolkhorst (Relating to the continuation oand functions of the Office of Rural Community Affairs.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Government Code to continue the Office of Rural Community Affairs (ORCA) for eight years. The bill would modify the executive committee from a committee made up of nine members to a board with 11 members. The bill would narrow ORCA's powers and duties to include assisting rural communities in the key areas of economic development, community development, rural health, and rural housing; serve as a clearinghouse for information and resources on all state and federal programs affecting rural communities; identify and prioritize policy issues and concerns affecting rural communities in the state; and make recommendations to the legislature to address the concerns affecting rural communities. The bill would authorize ORCA to collocate its field staff in the Department of Agriculture's offices and work in conjunction with the Department of Agriculture to regularly cross-train office employees regarding the programs administered and services provided by each agency to rural communities. The bill would require the board to review grant applications and approve grant and loan awards. The bill would require ORCA to work in consultation with the Department of Agriculture to evaluate and streamline the administration of the rural Community Development Block Grant (CDBG) program.

Based on information provided by ORCA, the Department of Agriculture, and the Sunset Advisory Commission, it is assumed that any additional costs related to the duties and responsibilities associated with implementing the provisions of the bill could be covered by utilizing existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 357 Office of Rural Community Affairs, 551 Department of Agriculture

LBB Staff: JOB, WK, AH

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 2, 2007

TO: Honorable Sid Miller, Chair, House Committee on Agriculture & Livestock

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2542 by Kolkhorst (Relating to the continuation and functions of the Office of Rural Community Affairs.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Government Code to continue the Office of Rural Community Affairs (ORCA) for four years. The bill would modify the executive committee from a committee made up of nine members to a board with 11 members. The bill would narrow ORCA's powers and duties to include assisting rural communities in the key areas of economic development, community development, rural health, and natural resources; serve as a clearinghouse for information and resources on all state and federal programs affecting rural communities; identify and prioritize policy issues and concerns affecting rural communities in the state; and make recommendations to the legislature to address the concerns affecting rural communities. The bill would require ORCA to collocate its field staff in the Department of Agriculture's offices and work in conjunction with the Department of Agriculture to regularly cross-train office employees regarding the programs administered and services provided by each agency to rural communities. The bill would require the State Review Committee to review grant applications and approve grant and loan awards. The bill would require ORCA to work in consultation with the Department of Agriculture to evaluate and streamline the administration of the rural Community Development Block Grant (CDBG) program.

Based on information provided by ORCA, the Department of Agriculture, and the Sunset Advisory Commission, it is assumed that any additional costs related to the duties and responsibilities associated with implementing the provisions of the bill could be covered by utilizing existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 357 Office of Rural Community Affairs, 551 Department of Agriculture

LBB Staff: JOB, WK, AH

ADOPTED

MAY 21 2007

Lotay Spaul
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY:

Brinner / Estes

- 1 Amend HB 2542 on page 1, line 20, by striking "2015" and
- 2 substituting "2011".

ADOPTED

MAY 21 2007

FLOOR AMENDMENT NO. 2

Atty. Gen.
Secretary of the Senate

BY: *Ester*

1 Amend H.B. No. 2542 (senate committee printing) as follows:

2 (1) In SECTION 3 of the bill, strike amended Subdivisions
3 (2) and (3), Subsection (b), Section 487.021, Government Code (page
4 1, lines 36 through 47), and substitute the following:

5 (2) three public members appointed by the ~~[lieutenant]~~
6 governor from a list of nominees submitted by the lieutenant
7 governor; [and]

8 (3) three public members appointed by the governor
9 from a list of nominees submitted by the speaker of the house of
10 representatives; and

11 (2) In SECTION 3 of the bill, strike added Subsection (b-1),
12 Section 487.021, Government Code (page 1, lines 50 and 51), and
13 substitute the following:

14 (b-1) The individuals nominated by the lieutenant governor
15 and the speaker of the house of representatives must reside in a
16 rural city or county and be interested in rural issues. In making
17 an appointment under Subsection (b)(2) or (3), the governor may
18 reject one or more of the nominees on a list submitted by the
19 lieutenant governor or the speaker of the house of representatives
20 and request a new list of different nominees.

ADOPTED

MAY 21 2007

Antony Spaul
Secretary of the Senate

FLOOR AMENDMENT NO. 3

BY:

Robert Duncan

1 Amend H.B. No. 2542 (senate committee printing), in SECTION 3
2 of the bill, by striking amended Subsection (g), Section 487.021,
3 Government Code (page 2, lines 8 through 11), and substituting the
4 following:

5 (g) The commissioner of agriculture or the commissioner's
6 designee shall serve as ~~[members of]~~ the ~~[executive committee~~
7 ~~annually shall elect a]~~ presiding officer ~~[from among the members]~~
8 of the board ~~[executive committee]~~.

SENATE AMENDMENTS 07 MAY 21 PM 11:30

2nd Printing

HOUSE OF REPRESENTATIVE

By: Kolkhorst, Flynn, Truitt, McClendon,
et al.

H.B. No. 2542

A BILL TO BE ENTITLED

AN ACT

relating to the continuation and functions of the Office of Rural
Community Affairs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 487.001(1), Government Code, is amended
to read as follows:

(1) "Board" [~~"Executive committee"~~] means the board
[~~executive committee~~] of the Office of Rural Community Affairs.

SECTION 2. Section 487.002, Government Code, is amended to
read as follows:

Sec. 487.002. SUNSET PROVISION. The Office of Rural
Community Affairs is subject to Chapter 325 (Texas Sunset Act).
Unless continued in existence as provided by that chapter, the
office is abolished and this chapter expires September 1, 2015
[2007].

SECTION 3. Section 487.021, Government Code, is amended to
read as follows:

Sec. 487.021. BOARD [~~EXECUTIVE COMMITTEE~~]. (a) The board
[~~executive committee~~] is the governing body of the office.

(b) The board [~~executive committee~~] is composed of the
following 11 [~~nine~~] members:

(1) four [~~three~~] members who represent different
geographic regions of the state appointed by the governor,
including:

1 (A) two locally elected rural city or county
2 officials or city or county employees involved with rural
3 development; and

4 (B) two public members each of whom resides in a
5 rural city or county;

6 (2) three members appointed by the lieutenant
7 governor, including:

8 (A) one senator who resides in a rural city or
9 county; and

10 (B) two public members each of whom resides in a
11 rural city or county and is interested in rural issues; [and]

12 (3) three members appointed by the speaker of the
13 house of representatives, including:

14 (A) one member of the house of representatives
15 who resides in a rural city or county; and

16 (B) two public members each of whom resides in a
17 rural city or county and is interested in rural issues; and

18 (4) the commissioner of agriculture or the
19 commissioner's designee.

20 (b-1) The two board members who are members of the
21 legislature are nonvoting members.

22 (c) In this section, "rural city or county" means a rural
23 city or county as defined by the federal community development
24 block grant nonentitlement program. [The governor, the lieutenant
25 governor, and the speaker of the house of representatives shall
26 each appoint at least two members who possess a strong
27 understanding of and commitment to rural interests based on the

1 ~~individual's personal history, including residency, occupation,~~
2 ~~and business or civic activities.]~~

3 (d) Appointments to the board ~~[executive committee]~~ shall
4 be made without regard to the race, color, disability, sex,
5 religion, age, or national origin of the appointees.

6 (e) The members of the board who are not serving as an
7 additional duty of an office in state government ~~[executive~~
8 ~~committee]~~ serve for staggered six-year terms, with the terms of
9 two or three members expiring February 1 of each odd-numbered year.
10 A member of the legislature serves at the will of the appointing
11 authority.

12 (f) Board ~~[Executive committee]~~ members receive no
13 compensation but are entitled to reimbursement of actual and
14 necessary expenses incurred in the performance of their duties.

15 (g) The governor shall designate a member ~~[The members]~~ of
16 the board as the ~~[executive committee annually shall elect a]~~
17 presiding officer ~~[from among the members]~~ of the board to serve in
18 that capacity at the will of the governor ~~[executive committee].~~

19 (h) Service on the board by a member of the legislature, the
20 commissioner of agriculture, or an officer of a county or
21 municipality is an additional duty of the individual's office.

22 SECTION 4. Sections 487.022(b) and (c), Government Code,
23 are amended to read as follows:

24 (b) A person may not be a member of the board ~~[executive~~
25 ~~committee]~~ and may not be an office employee employed in a "bona
26 fide executive, administrative, or professional capacity," as that
27 phrase is used for purposes of establishing an exemption to the

overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.) and its subsequent amendments, if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in the field of rural affairs; or

(2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the field of rural affairs.

(c) A person may not be a member of the board ~~[executive committee]~~ or act as the general counsel to the board ~~[executive committee]~~ or the office if the person is required to register as a lobbyist under Chapter 305 because of the person's activities for compensation on behalf of a profession related to the operation of the office.

SECTION 5. Sections 487.023 through 487.027, Government Code, are amended to read as follows:

Sec. 487.023. TRAINING FOR MEMBERS OF BOARD ~~[EXECUTIVE COMMITTEE]~~. (a) A person who is appointed to and qualifies for office as a member of the board ~~[executive committee]~~ may not vote, deliberate, or be counted as a member in attendance at a meeting of the board ~~[executive committee]~~ until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

(1) the legislation that created the office ~~[and the executive committee]~~;

(2) the programs, ~~[operated by the office,~~

1 ~~[(3) the role and]~~ functions, ~~[of the office,~~
2 ~~[(4) the]~~ rules, ~~[of the office, with an emphasis on~~
3 ~~any rules that relate to disciplinary]~~ and ~~[investigatory~~
4 ~~authority,~~

5 ~~[(5) the current]~~ budget of ~~[for]~~ the office;

6 (3) ~~[(6)]~~ the results of the most recent formal audit
7 of the office;

8 (4) ~~[(7)]~~ the requirements of laws relating to~~[-~~

9 ~~[(A) the]~~ open meetings ~~[law], [Chapter 551,~~

10 ~~[(B) the]~~ public information ~~[law], [Chapter~~

11 ~~552,~~

12 ~~[(C) the]~~ administrative procedure ~~[law],~~

13 ~~[Chapter 2001,~~ and conflicts of interest

14 ~~[(D) other laws relating to public officials,~~

15 ~~including conflict-of-interest laws]; and~~

16 (5) ~~[(8)]~~ any applicable ethics policies adopted by
17 the office ~~[executive committee]~~ or the Texas Ethics Commission.

18 (c) A person appointed to the board ~~[executive committee]~~ is
19 entitled to reimbursement, as provided by ~~[general law and]~~ the
20 General Appropriations Act, for the travel expenses incurred in
21 attending the training program regardless of whether the attendance
22 at the program occurs before or after the person qualifies for
23 office.

24 Sec. 487.024. REMOVAL. (a) It is a ground for removal from
25 the board ~~[executive committee]~~ that a member:

26 (1) does not have at the time of taking office the
27 qualifications required by Section 487.021;

1 (2) does not maintain during service on the board
2 ~~[executive committee]~~ the qualifications required by Section
3 487.021;

4 (3) is ineligible for membership under Section
5 487.022;

6 (4) cannot, because of illness or disability,
7 discharge the member's duties for a substantial part of the member's
8 term; or

9 (5) is absent from more than half of the regularly
10 scheduled board ~~[executive committee]~~ meetings that the member is
11 eligible to attend during a calendar year without an excuse
12 approved by a majority vote of the board ~~[executive committee]~~.

13 (b) The validity of an action of the board ~~[executive~~
14 ~~committee]~~ is not affected by the fact that it is taken when a
15 ground for removal of a board ~~[an executive committee]~~ member
16 exists.

17 (c) If the executive director has knowledge that a potential
18 ground for removal exists, the executive director shall notify the
19 presiding officer of the board ~~[executive committee]~~ of the
20 potential ground. The presiding officer shall then notify the
21 appointing authority ~~[governor]~~ and the attorney general that a
22 potential ground for removal exists. If the potential ground for
23 removal involves the presiding officer, the executive director
24 shall notify the next highest ranking officer of the board
25 ~~[executive committee]~~, who shall then notify the appointing
26 authority ~~[governor]~~ and the attorney general that a potential
27 ground for removal exists.

1 Sec. 487.025. DIVISION OF RESPONSIBILITY. The board
2 ~~[executive committee]~~ shall develop and implement policies that
3 clearly separate the policy-making responsibilities of the board
4 ~~[executive committee]~~ and the management responsibilities of the
5 executive director and staff of the office.

6 Sec. 487.026. EXECUTIVE DIRECTOR. (a) The board
7 ~~[executive committee]~~ may hire an executive director to serve as
8 the chief executive officer of the office and to perform the
9 administrative duties of the office.

10 (b) The executive director serves at the will of the board
11 ~~[executive committee]~~.

12 (c) The executive director may hire staff within guidelines
13 established by the board ~~[executive committee]~~.

14 Sec. 487.027. PUBLIC HEARINGS. The board ~~[executive~~
15 ~~committee]~~ shall develop and implement policies that provide the
16 public with a reasonable opportunity to appear before the board
17 ~~[executive committee]~~ and to speak on any issue under the
18 jurisdiction of the office.

19 SECTION 6. Section 487.029, Government Code, is amended to
20 read as follows:

21 Sec. 487.029. STANDARDS OF CONDUCT. The executive director
22 or the executive director's designee shall provide to members of
23 the board ~~[executive committee]~~ and to agency employees, as often
24 as necessary, information regarding the requirements for office or
25 employment under this chapter, including information regarding a
26 person's responsibilities under applicable laws relating to
27 standards of conduct for state officers or employees.

SECTION 7. Section 487.030, Government Code, is amended to read as follows:

Sec. 487.030. COMPLAINTS. (a) The office shall maintain a system to promptly and efficiently act on complaints ~~[file on each written complaint]~~ filed with the office. The office shall maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition ~~[The file must include:~~

- ~~[(1) the name of the person who filed the complaint,~~
- ~~[(2) the date the complaint is received by the office,~~
- ~~[(3) the subject matter of the complaint,~~
- ~~[(4) the name of each person contacted in relation to the complaint,~~
- ~~[(5) a summary of the results of the review or investigation of the complaint, and~~
- ~~[(6) an explanation of the reason the file was closed, if the office closed the file without taking action other than to investigate the complaint].~~

(b) The office shall make information available describing its ~~[provide to the person filing the complaint and to each person who is a subject of the complaint a copy of the office's policies and]~~ procedures for ~~[relating to]~~ complaint investigation and resolution.

(c) The office ~~[, at least quarterly until final disposition of the complaint,]~~ shall periodically notify the complaint parties ~~[person filing the complaint and each person who is a subject of the~~

1 ~~complaint]~~ of the status of the complaint until final disposition
2 ~~[investigation unless the notice would jeopardize an undercover~~
3 ~~investigation]~~.

4 SECTION 8. Subchapter B, Chapter 487, Government Code, is
5 amended by adding Sections 487.031 and 487.032 to read as follows:

6 Sec. 487.031. USE OF TECHNOLOGY. The board shall implement
7 a policy requiring the office to use appropriate technological
8 solutions to improve the office's ability to perform its functions.
9 The policy must ensure that the public is able to interact with the
10 office on the Internet.

11 Sec. 487.032. NEGOTIATED RULEMAKING AND ALTERNATIVE
12 DISPUTE RESOLUTION PROCEDURES. (a) The board shall develop and
13 implement a policy to encourage the use of:

14 (1) negotiated rulemaking procedures under Chapter
15 2008 for the adoption of office rules; and

16 (2) appropriate alternative dispute resolution
17 procedures under Chapter 2009 to assist in the resolution of
18 internal and external disputes under the office's jurisdiction.

19 (b) The office's procedures relating to alternative dispute
20 resolution must conform, to the extent possible, to any model
21 guidelines issued by the State Office of Administrative Hearings
22 for the use of alternative dispute resolution by state agencies.

23 (c) The board shall designate a trained person to:

24 (1) coordinate the implementation of the policy
25 adopted under Subsection (a);

26 (2) serve as a resource for any training needed to
27 implement the procedures for negotiated rulemaking or alternative

1 dispute resolution; and

2 (3) collect data concerning the effectiveness of those
3 procedures, as implemented by the office.

4 SECTION 9. Section 487.051, Government Code, is amended to
5 read as follows:

6 Sec. 487.051. POWERS AND DUTIES. (a) The office shall:

7 (1) assist rural communities in the key areas of
8 economic development, community development, rural health, and
9 rural housing [~~develop a rural policy for the state in consultation~~
10 ~~with local leaders representing all facets of rural community life,~~
11 ~~academic and industry experts, and state elected and appointed~~
12 ~~officials with interests in rural communities~~];

13 (2) serve as a clearinghouse for information and
14 resources on all state and federal programs affecting rural
15 communities [~~work with other state agencies and officials to~~
16 ~~improve the results and the cost-effectiveness of state programs~~
17 ~~affecting rural communities through coordination of efforts~~];

18 (3) in consultation with rural community leaders,
19 locally elected officials, state elected and appointed officials,
20 academic and industry experts, and the interagency work group
21 created under this chapter, identify and prioritize policy issues
22 and concerns affecting rural communities in the state [~~develop~~
23 ~~programs to improve the leadership capacity of rural community~~
24 ~~leaders~~];

25 (4) make recommendations to the legislature to address
26 the concerns affecting rural communities identified under
27 Subdivision (3);

1 (5) monitor developments that have a substantial
2 effect on rural Texas communities, especially actions of state
3 government, and compile an annual report describing and evaluating
4 the condition of rural communities;

5 (6) [~~45~~] administer the federal community
6 development block grant nonentitlement program;

7 (7) [~~46~~] administer programs supporting rural health
8 care as provided by this chapter;

9 (8) [~~47~~] perform research to determine the most
10 beneficial and cost-effective ways to improve the welfare of rural
11 communities;

12 (9) [~~48~~] ensure that the office qualifies as the
13 state's office of rural health for the purpose of receiving grants
14 from the Office of Rural Health Policy of the United States
15 Department of Health and Human Services under 42 U.S.C. Section
16 254r;

17 (10) [~~49~~] manage the state's Medicare rural hospital
18 flexibility program under 42 U.S.C. Section 1395i-4; [~~and~~]

19 (11) [~~410~~] seek state and federal money available for
20 economic development in rural areas for programs under this
21 chapter; and

22 (12) in conjunction with the Department of
23 Agriculture, regularly cross-train office employees with employees
24 of the Department of Agriculture regarding the programs
25 administered and services provided by each agency to rural
26 communities.

27 (b) The office may require office employees who work at

1 locations other than the central office to be based in Department of
2 Agriculture offices.

3 SECTION 10. Section 487.052, Government Code, is amended to
4 read as follows:

5 Sec. 487.052. RULES. The board [~~executive committee~~] may
6 adopt rules as necessary to implement this chapter.

7 SECTION 11. Section 487.053(b), Government Code, is amended
8 to read as follows:

9 (b) All gifts, grants, and donations must be accepted in an
10 open meeting by a majority of the voting members of the board
11 [~~executive committee~~] and reported in the public record of the
12 meeting with the name of the donor and purpose of the gift, grant,
13 or donation.

14 SECTION 12. Section 487.054(b), Government Code, is amended
15 to read as follows:

16 (b) The board [~~executive committee~~] shall call the annual
17 meeting. The board [~~executive committee~~] shall set the time and
18 date of the meeting after consulting with the agency heads listed in
19 Subsection (a).

20 SECTION 13. Section 487.055, Government Code, is amended to
21 read as follows:

22 Sec. 487.055. ADVISORY COMMITTEES. The board [~~executive~~
23 ~~committee~~] may appoint advisory committees as necessary to assist
24 the board [~~executive committee~~] in performing its duties. An
25 advisory committee may be composed of private citizens and
26 representatives from state and local governmental entities. A
27 state or local governmental entity shall appoint a representative

1 to an advisory committee at the request of the board [~~executive~~
2 ~~committee~~]. Chapter 2110 does not apply to an advisory committee
3 created under this section.

4 SECTION 14. Section 487.056, Government Code, is amended by
5 adding Subsection (c) to read as follows:

6 (c) The office shall obtain information on the availability
7 of housing in rural communities throughout the state for all income
8 levels. The office shall include the information, and the office's
9 assessment of the information, in the office's report to the
10 legislature.

11 SECTION 15. Section 487.057(b), Government Code, is amended
12 to read as follows:

13 (b) The office shall submit the rural health work plan to
14 the board [~~executive committee~~] for approval. The board [~~executive~~
15 ~~committee~~] shall approve the rural health work plan not later than
16 August 1 of each odd-numbered year.

17 SECTION 16. Sections 487.059(b), (c), (e), (f), and (g),
18 Government Code, are amended to read as follows:

19 (b) If a member of the board [~~executive committee~~] or a
20 [~~another~~] committee established under this chapter, including an
21 advisory committee, has a financial interest in an entity that
22 applies for a monetary award, the board or committee member shall,
23 before a vote on the monetary award, disclose the fact of the board
24 or committee member's financial interest. The board or committee
25 shall enter the disclosure into the minutes of the meeting at which
26 a vote on the monetary award is taken. The board or committee
27 member may not vote on or otherwise participate in a discussion or

1 any other activity that relates to awarding the monetary award. If
2 the board or committee member does not comply with this subsection,
3 the entity is not eligible for the monetary award.

4 (c) If the executive director or another office employee has
5 a financial interest in an entity that applies for a monetary award,
6 the executive director or employee:

7 (1) shall, as soon as possible, disclose to the board
8 [~~executive committee~~] the fact of the director's or employee's
9 financial interest;

10 (2) may not participate in staff evaluations regarding
11 the monetary award; and

12 (3) if the executive director or employee under office
13 procedures may [~~has a~~] vote, or make a recommendation concerning a
14 vote, on a matter that involves the monetary award:

15 (A) shall disclose the fact of the director's or
16 employee's financial interest before a vote on the monetary award,
17 which the board or committee shall enter into the minutes of the
18 meeting at which a vote on the monetary award is taken; and

19 (B) may not vote on or otherwise participate in a
20 discussion or any other activity that relates to awarding the
21 monetary award.

22 (e) Subsections (f) and (g) apply only to a member of the
23 board or a [~~executive~~] committee who is employed by:

24 (1) an entity that offers to enter into a contract with
25 the office; or

26 (2) an entity that is under common ownership or
27 governance with or otherwise affiliated with an entity that applies

1 for a monetary award or offers to enter into a contract with the
2 office.

3 (f) The board or ~~[executive]~~ committee member shall, before
4 a vote on the monetary award or contract, disclose the fact of the
5 member's employment by the entity. The board or ~~[executive]~~
6 committee shall enter the disclosure into the minutes of the
7 meeting at which a vote on the monetary award or contract is taken.
8 The board or ~~[executive]~~ committee member may not vote on or
9 otherwise participate in a discussion or any other activity that
10 relates to awarding the monetary award or contract.

11 (g) If the board or ~~[executive]~~ committee member does not
12 comply with Subsection (f), the entity is not eligible to be awarded
13 the monetary award or contract.

14 SECTION 17. Sections 487.103(a), (b), and (c), Government
15 Code, are amended to read as follows:

16 (a) The selection committee shall advise the board
17 ~~[executive committee]~~ on the progress of the program.

18 (b) The selection committee is composed of 12 members
19 appointed by the board ~~[executive committee]~~.

20 (c) The board ~~[executive committee]~~ shall consider
21 geographical representation in making appointments to the
22 selection committee.

23 SECTION 18. Sections 487.104(b) and (d), Government Code,
24 are amended to read as follows:

25 (b) The selection committee shall make selections based on
26 criteria approved by the board ~~[executive committee]~~ and adopted as
27 a rule of the office.

1 (d) The selection committee shall recommend to the board
2 ~~[executive committee]~~ guidelines to be used by rural communities in
3 the selection of students for nomination and sponsorship as
4 outstanding rural scholars.

5 SECTION 19. Section 487.107, Government Code, is amended to
6 read as follows:

7 Sec. 487.107. AWARDING OF LOANS. (a) The selection
8 committee shall recommend to the board ~~[executive committee]~~
9 guidelines for the awarding of forgivable loans to outstanding
10 rural scholars.

11 (b) The board ~~[executive committee]~~, acting on the advice of
12 the selection committee, shall award forgivable loans to
13 outstanding rural scholars based on the availability of money in
14 the fund.

15 (c) If in any year the fund is inadequate to provide loans to
16 all eligible applicants, the board ~~[executive committee]~~ shall
17 award forgivable loans on a priority basis according to the
18 applicants' academic performance, test scores, and other criteria
19 of eligibility.

20 SECTION 20. Section 487.108(a), Government Code, is amended
21 to read as follows:

22 (a) On confirmation of an outstanding rural scholar's
23 admission to a postsecondary educational institution, or on receipt
24 of an enrollment report of the scholar at a postsecondary
25 educational institution, and a certification of the amount of
26 financial support needed, the selection committee annually shall
27 recommend to the board ~~[executive committee]~~ that the board

1 ~~[committee]~~ award a forgivable loan to the scholar in the amount of
2 50 percent of the cost of the scholar's tuition, fees, educational
3 materials, and living expenses.

4 SECTION 21. Sections 487.109(b), (c), and (d), Government
5 Code, are amended to read as follows:

6 (b) The sponsoring community shall report to the board
7 ~~[executive committee]~~ the length of time the scholar practices as a
8 health care professional in the community.

9 (c) If the board ~~[executive committee]~~ finds that a
10 sponsoring community is not in need of the scholar's services and
11 that the community is willing to forgive repayment of the principal
12 balance and interest of the scholar's loan, the board ~~[executive~~
13 ~~committee]~~ by rule may provide for the principal balance and
14 interest of one year of the scholar's loan to be forgiven for each
15 year the scholar practices in another rural community in this
16 state.

17 (d) Any amount of loan principal or interest that is not
18 forgiven under this section shall be repaid to the office with
19 reasonable collection fees in a timely manner as provided by board
20 ~~[executive committee]~~ rule.

21 SECTION 22. Section 487.112, Government Code, is amended to
22 read as follows:

23 Sec. 487.112. ADOPTION AND DISTRIBUTION OF RULES. (a) The
24 board ~~[executive committee]~~ shall adopt reasonable rules to enforce
25 the requirements, conditions, and limitations under this
26 subchapter.

27 (b) The board ~~[executive committee]~~ shall set the rate of

1 interest charged on a forgivable loan under this subchapter.

2 (c) The board [~~executive committee~~] shall adopt rules
3 necessary to ensure compliance with the federal Civil Rights Act of
4 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
5 in admissions.

6 SECTION 23. Section 487.154, Government Code, is amended to
7 read as follows:

8 Sec. 487.154. LOANS. (a) The board [~~executive committee~~]
9 may award forgivable educational loans to eligible students under
10 this subchapter.

11 (b) The board [~~executive committee~~] may award forgivable
12 loans to eligible students based on the availability of money in the
13 fund.

14 (c) If in any year the fund is inadequate to provide loans to
15 all eligible students, the board [~~executive committee~~] may award
16 forgivable loans on a priority basis according to the students'
17 academic performance, test scores, and other criteria of
18 eligibility.

19 SECTION 24. Section 487.155(a), Government Code, is amended
20 to read as follows:

21 (a) To be eligible to receive a loan under this subchapter,
22 a student must:

23 (1) be sponsored by an eligible community;
24 (2) at the time of the application for the loan, be
25 enrolled in high school or enrolled or accepted for enrollment in a
26 postsecondary educational institution in this state;

27 (3) meet academic requirements as established by the

1 board [~~executive committee~~];

2 (4) plan to complete a health care professional degree
3 or certificate program;

4 (5) plan to practice as a health care professional in a
5 qualified area of the state; and

6 (6) meet other requirements as established by the
7 board [~~executive committee~~].

8 SECTION 25. Section 487.156(c), Government Code, is amended
9 to read as follows:

10 (c) The board [~~executive committee~~] shall determine the
11 percentage of educational expenses communities are required to
12 provide under this section.

13 SECTION 26. Section 487.157(a), Government Code, is amended
14 to read as follows:

15 (a) On confirmation of an eligible student's admission to a
16 postsecondary educational institution, or on receipt of an
17 enrollment report of the student at a postsecondary educational
18 institution, and certification of the amount of financial support
19 needed, the board [~~executive committee~~] may award a forgivable loan
20 to the student in the amount of not more than the cost of the
21 student's tuition, fees, educational materials, and living
22 expenses.

23 SECTION 27. Section 487.158(b), Government Code, is amended
24 to read as follows:

25 (b) The contract must provide that if the student does not
26 provide the required services to the community or provides those
27 services for less than the required time, the student is personally

1 liable to the state for:

2 (1) the total amount of assistance the student
3 receives from the office and the sponsoring community;

4 (2) interest on the total amount at a rate set by the
5 board [~~executive committee~~]; and

6 (3) the state's reasonable expenses incurred in
7 obtaining payment, including reasonable attorney's fees.

8 SECTION 28. Section 487.159(b), Government Code, is amended
9 to read as follows:

10 (b) If the board [~~executive committee~~] finds that a
11 sponsoring community is not in need of the student's services and
12 that the community is willing to forgive repayment of the principal
13 balance and interest of the student's loan, the board [~~executive~~
14 ~~committee~~] by rule may provide for the principal balance and
15 interest of the student's loan to be forgiven if the student
16 provides services in another qualified area in this state.

17 SECTION 29. Sections 487.161(b) and (c), Government Code,
18 are amended to read as follows:

19 (b) The sponsoring community shall report to the board
20 [~~executive committee~~] the length of time the student provides
21 health care services in the community in accordance with the
22 guidelines established by the board [~~executive committee~~].

23 (c) A postsecondary educational institution shall provide
24 to the board [~~executive committee~~] a copy of the academic
25 transcript of each student for whom the institution has received a
26 release that complies with state and federal open records laws and
27 that authorizes the provision of the transcript.

1 SECTION 30. Section 487.163, Government Code, is amended to
2 read as follows:

3 Sec. 487.163. ADOPTION OF RULES. (a) The board [~~executive~~
4 ~~committee~~] shall adopt reasonable rules to enforce the
5 requirements, conditions, and limitations of this subchapter.

6 (b) The board [~~executive committee~~] shall set the rate of
7 interest charged on a forgivable loan under this subchapter.

8 (c) The board [~~executive committee~~] shall adopt rules
9 necessary to ensure compliance with the federal Civil Rights Act of
10 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
11 in admissions.

12 SECTION 31. Sections 487.202, 487.203, and 487.204,
13 Government Code, are amended to read as follows:

14 Sec. 487.202. PROGRAM. (a) The board [~~executive~~
15 ~~committee~~] shall establish and administer a program under this
16 subchapter to increase the number of physicians providing primary
17 care in medically underserved communities.

18 (b) A medically underserved community may sponsor a
19 physician who has completed a primary care residency program and
20 has agreed to provide primary care in the community by contributing
21 start-up money for the physician and having that contribution
22 matched wholly or partly by state money appropriated to the office
23 [~~executive committee~~] for that purpose.

24 (c) A participating medically underserved community may
25 provide start-up money to an eligible physician over a two-year
26 period.

27 (d) The office [~~executive committee~~] may not pay more than

1 \$25,000 to a community in a fiscal year unless the board [~~executive~~
2 ~~committee~~] makes a specific finding of need by the community.

3 (e) The board [~~executive committee~~] shall establish
4 priorities so that the neediest communities eligible for assistance
5 under this subchapter are assured the receipt of a grant.

6 Sec. 487.203. ELIGIBILITY. To be eligible to receive money
7 from the office [~~executive committee~~], a medically underserved
8 community must:

- 9 (1) apply for the money; and
10 (2) provide evidence satisfactory to the board
11 [~~executive committee~~] that it has entered into an agreement with a
12 physician for the physician to provide primary care in the
13 community for at least two years.

14 Sec. 487.204. RULES. The board [~~executive committee~~] shall
15 adopt rules necessary for the administration of this subchapter,
16 including rules addressing:

- 17 (1) eligibility criteria for a medically underserved
18 community;
19 (2) eligibility criteria for a physician;
20 (3) minimum and maximum community contributions to the
21 start-up money for a physician to be matched with state money;
22 (4) conditions under which state money must be repaid
23 by a community or physician;
24 (5) procedures for disbursement of money by the office
25 [~~executive committee~~];
26 (6) the form and manner in which a community must make
27 its contribution to the start-up money; and

(7) the contents of an agreement to be entered into by the parties, which must include at least:

(A) a credit check for an eligible physician; and

(B) community retention of interest in any property, equipment, or durable goods for seven years.

SECTION 32. Section 487.252, Government Code, is amended to read as follows:

Sec. 487.252. TEXAS HEALTH SERVICE CORPS PROGRAM. (a) The board [~~executive committee~~] shall establish a program in the office to assist communities in recruiting and retaining physicians to practice in medically underserved areas.

(b) The board [~~executive committee~~] by rule shall establish:

(1) eligibility criteria for applicants;

(2) stipend application procedures;

(3) guidelines relating to stipend amounts;

(4) procedures for evaluating stipend applications;

and

(5) a system of priorities relating to the:

(A) geographic areas covered;

(B) medical specialties eligible to receive funding under the program; and

(C) level of stipend support.

SECTION 33. Section 487.253(a), Government Code, is amended to read as follows:

(a) The board [~~executive committee~~] shall adopt rules necessary to administer this subchapter, and the office shall

1 administer the program in accordance with those rules.

2 SECTION 34. Section 487.351, Government Code, is amended by
3 adding Subsection (c) to read as follows:

4 (c) The office shall give priority to eligible activities in
5 the areas of economic development, community development, rural
6 health, and rural housing to support workforce development in
7 awarding funding for community development block grant programs.

8 SECTION 35. Subchapter I, Chapter 487, Government Code, is
9 amended by adding Section 487.3515 to read as follows:

10 Sec. 487.3515. EVALUATION OF COMMUNITY DEVELOPMENT BLOCK
11 GRANT PROGRAM. (a) The office, in consultation with the Department
12 of Agriculture, shall review and evaluate the administration of the
13 state's allocation of federal funds under the community development
14 block grant nonentitlement program and, based on the results of the
15 evaluation, streamline administration of the program and program
16 requirements. The office shall, at a minimum, evaluate:

17 (1) combining program fund categories, within
18 allowable limits provided by state statute, the General
19 Appropriations Act, and federal law and regulations;

20 (2) simplifying the grant application and scoring
21 process; and

22 (3) regularly reviewing and closing out aged
23 contracts.

24 (b) The office shall implement program changes resulting
25 from the evaluation that do not require statutory changes as soon as
26 possible, but not later than the date the office publishes the next
27 community development block grant nonentitlement program action

1 plan.

2 (c) The office shall include the findings from the
3 evaluation, program changes resulting from the evaluation, and any
4 statutory changes needed to make additional changes in the agency's
5 biennial report to the 81st Legislature.

6 (d) This section expires September 1, 2009.

7 SECTION 36. Section 487.353, Government Code, is amended by
8 amending Subsections (i) and (j) and adding Subsections (k) and (l)
9 to read as follows:

10 (i) The committee shall:

11 (1) consult with and advise the executive director on
12 the administration and enforcement of the community development
13 block grant program; and

14 (2) in consultation with the executive director and
15 office staff, review and approve grant and loan [funding]
16 applications and associated funding awards of eligible counties and
17 municipalities and advise and assist the executive director
18 regarding the allocation of program funds to those applicants.

19 (j) The committee may annually recommend to the executive
20 director a formula for allocating funds to each geographic state
21 planning region established by the governor under Chapter 391,
22 Local Government Code. The formula must give preference to regions
23 according to the regions' needs.

24 (k) An applicant for a grant, loan, or award under a
25 community development block grant program may appeal a decision of
26 the committee by filing a complaint with the board. The board shall
27 hold a hearing on a complaint filed with the board under this

1 subsection and render a decision.

2 (1) The committee is a governmental body for purposes of the
3 open meetings law, Chapter 551.

4 SECTION 37. Section 487.401, Government Code, is amended to
5 read as follows:

6 Sec. 487.401. ADMINISTRATION. (a) The board [~~executive~~
7 ~~committee~~] shall adopt rules that establish a procedure for
8 designating a hospital as a rural hospital in order for the hospital
9 to qualify for federal funds under 42 C.F.R. Part 412.

10 (b) At the hospital's request, the office shall designate
11 the hospital as a rural hospital if the hospital meets the
12 requirements for a rural hospital under the board's [~~executive~~
13 ~~committee's~~] rules.

14 SECTION 38. Section 487.451(1), Government Code, is amended
15 to read as follows:

16 (1) "Health care professional" means:

- 17 (A) an advanced nurse practitioner;
- 18 (B) a dentist;
- 19 (C) a dental hygienist;
- 20 (D) a laboratory technician;
- 21 (E) a licensed vocational nurse;
- 22 (F) a licensed professional counselor;
- 23 (G) a medical radiological technologist;
- 24 (H) an occupational therapist;
- 25 (I) a pharmacist;
- 26 (J) a physical therapist;
- 27 (K) a physician;

1 (L) a physician assistant;
2 (M) a psychologist;
3 (N) a registered nurse;
4 (O) a social worker;
5 (P) a speech-language pathologist;
6 (Q) a veterinarian;
7 (R) a chiropractor; and
8 (S) another appropriate health care professional
9 identified by the board [~~executive committee~~].

10 SECTION 39. Section 487.452(a), Government Code, is amended
11 to read as follows:

12 (a) The board [~~executive committee~~], in collaboration with
13 Area Health Education Center Programs, shall establish a community
14 healthcare awareness and mentoring program for students to:

15 (1) identify high school students in rural and
16 underserved urban areas who are interested in serving those areas
17 as health care professionals;

18 (2) identify health care professionals in rural and
19 underserved urban areas to act as positive role models, mentors, or
20 reference resources for the interested high school students;

21 (3) introduce interested high school students to the
22 spectrum of professional health care careers through activities
23 such as health care camps and shadowing of health care
24 professionals;

25 (4) encourage a continued interest in service as
26 health care professionals in rural and underserved urban areas by
27 providing mentors and community resources for students

1 participating in training or educational programs to become health
2 care professionals; and

3 (5) provide continuing community-based support for
4 students during the period the students are attending training or
5 educational programs to become health care professionals,
6 including summer job opportunities and opportunities to mentor high
7 school students in the community.

8 SECTION 40. Section 487.454, Government Code, is amended to
9 read as follows:

10 Sec. 487.454. GRANTS; ELIGIBILITY. (a) Subject to
11 available funds, the board [~~executive committee~~] shall develop and
12 implement, as a component of the program, a grant program to support
13 employment opportunities in rural and underserved urban areas in
14 this state for students participating in training or educational
15 programs to become health care professionals.

16 (b) In awarding grants under the program, the board
17 [~~executive committee~~] shall give first priority to grants to
18 training or educational programs that provide internships to
19 students.

20 (c) To be eligible to receive a grant under the grant
21 program, a person must:

22 (1) apply for the grant on a form adopted by the board
23 [~~executive committee~~];

24 (2) be enrolled or intend to be enrolled in a training
25 or educational program to become a health care professional;

26 (3) commit to practice or work, after licensure as a
27 health care professional, for at least one year as a health care

1 professional in a rural or underserved urban area in this state; and

2 (4) comply fully with any practice or requirements
3 associated with any scholarship, loan, or other similar benefit
4 received by the student.

5 (d) As a condition of receiving a grant under the program
6 the student must agree to repay the amount of the grant, plus a
7 penalty in an amount established by rule of the board [~~executive~~
8 ~~committee~~] not to exceed two times the amount of the grant, if the
9 student becomes licensed as a health care professional and fails to
10 practice or work for at least one year as a health care professional
11 in a rural or underserved urban area in this state.

12 SECTION 41. Section 487.553, Government Code, is amended to
13 read as follows:

14 Sec. 487.553. LOAN REIMBURSEMENT PROGRAM. The board
15 [~~executive committee~~] shall establish a program in the office to
16 assist communities in recruiting health professionals to practice
17 in medically underserved communities by providing loan
18 reimbursement for health professionals who serve in those
19 communities.

20 SECTION 42. Section 487.554(a), Government Code, is amended
21 to read as follows:

22 (a) The board [~~executive committee~~] shall establish a
23 program in the office to assist communities in recruiting health
24 professionals to practice in medically underserved communities by
25 providing a stipend to health professionals who agree to serve in
26 those communities.

27 SECTION 43. Section 487.555(e), Government Code, is amended

1 to read as follows:

2 (e) A contract under this section must provide that a health
3 professional who does not provide the required services to the
4 community or provides those services for less than the required
5 time is personally liable to the state for:

6 (1) the total amount of assistance the health
7 professional received from the office and the medically underserved
8 community;

9 (2) interest on the amount under Subdivision (1) at a
10 rate set by the board [~~executive committee~~];

11 (3) the state's reasonable expenses incurred in
12 obtaining payment, including reasonable attorney's fees; and

13 (4) a penalty as established by the board [~~executive~~
14 ~~committee~~] by rule to help ensure compliance with the contract.

15 SECTION 44. Section 487.556, Government Code, is amended to
16 read as follows:

17 Sec. 487.556. POWERS AND DUTIES OF OFFICE. (a) The board
18 [~~executive committee~~] shall adopt rules necessary for the
19 administration of this subchapter, including guidelines for:

20 (1) developing contracts under which loan
21 reimbursement or stipend recipients provide services to qualifying
22 communities;

23 (2) identifying the duties of the state, state agency,
24 loan reimbursement or stipend recipient, and medically underserved
25 community under the loan reimbursement or stipend contract;

26 (3) determining a rate of interest to be charged under
27 Section 487.555(e)(2);

1 (4) ensuring that a loan reimbursement or stipend
2 recipient provides access to health services to participants in
3 government-funded health benefits programs in qualifying
4 communities;

5 (5) encouraging the use of telecommunications or
6 telemedicine, as appropriate;

7 (6) prioritizing the provision of loan reimbursements
8 and stipends to health professionals who are not eligible for any
9 other state loan forgiveness, loan repayment, or stipend program;

10 (7) prioritizing the provision of loan reimbursements
11 and stipends to health professionals who are graduates of health
12 professional degree programs in this state;

13 (8) encouraging a medically underserved community
14 served by a loan reimbursement or stipend recipient to contribute
15 to the cost of the loan reimbursement or stipend when making a
16 contribution is feasible; and

17 (9) requiring a medically underserved community
18 served by a loan reimbursement or stipend recipient to assist the
19 office in contracting with the loan reimbursement or stipend
20 recipient who will serve that community.

21 (b) The board [~~executive committee~~] by rule may designate
22 areas of the state as medically underserved communities.

23 (c) The board [~~executive committee~~] shall make reasonable
24 efforts to contract with health professionals from a variety of
25 different health professions.

26 SECTION 45. Section 487.608(a), Government Code, is amended
27 to read as follows:

1 (a) The rural physician relief advisory committee is
2 composed of the following members appointed by the board [~~executive~~
3 ~~committee~~]:

4 (1) a physician who practices in the area of general
5 family medicine in a rural county;

6 (2) a physician who practices in the area of general
7 internal medicine in a rural county;

8 (3) a physician who practices in the area of general
9 pediatrics in a rural county;

10 (4) a representative from an accredited Texas medical
11 school;

12 (5) a program director from an accredited primary care
13 residency program;

14 (6) a representative from the Texas Higher Education
15 Coordinating Board; and

16 (7) a representative from the Texas [~~State Board of~~
17 Medical Board [~~Examiners~~].

18 SECTION 46. Section 110.003(a), Health and Safety Code, is
19 amended to read as follows:

20 (a) The Rural Foundation is governed by a board of five
21 directors appointed by the board [~~executive committee~~] of the
22 Office of Rural Community Affairs from individuals recommended by
23 the executive director of the Office of Rural Community Affairs.

24 SECTION 47. Section 110.010, Health and Safety Code, is
25 amended to read as follows:

26 Sec. 110.010. MEMORANDUM OF UNDERSTANDING. The Rural
27 Foundation and the Office of Rural Community Affairs shall enter

1 into a memorandum of understanding that:

2 (1) requires the board of directors and staff of the
3 foundation to report to the executive director and board [~~executive~~
4 ~~committee~~] of the Office of Rural Community Affairs;

5 (2) allows the Office of Rural Community Affairs to
6 provide staff functions to the foundation;

7 (3) allows the Office of Rural Community Affairs to
8 expend funds on the foundation; and

9 (4) outlines the financial contributions to be made to
10 the foundation from funds obtained from grants and other sources.

11 SECTION 48. (a) The nine members of the executive committee
12 of the Office of Rural Community Affairs who are serving
13 immediately before September 1, 2007, continue to serve as members
14 of the governing board of the office on and after that date
15 regardless of whether those members meet the membership
16 requirements prescribed by Subchapter B, Chapter 487, Government
17 Code, as amended by this Act. However, the positions of those nine
18 members are abolished on the date on which a majority of the 11
19 board membership positions that are created under Section 487.021,
20 Government Code, as amended by this Act, are filled and the
21 appointees qualify for office.

22 (b) The governor, the lieutenant governor, and the speaker
23 of the house of representatives shall make the 10 appointments to
24 the board under Section 487.021, Government Code, as amended by
25 this Act, as soon as possible on or after September 1, 2007. In
26 making the initial appointments, the governor shall designate two
27 members for terms expiring February 1, 2009, one member for a term

1 expiring February 1, 2011, and one member for a term expiring
2 February 1, 2013. In making the initial appointments, the
3 lieutenant governor and the speaker of the house shall each
4 designate one nonlegislative member for a term expiring February 1,
5 2011, and one nonlegislative member for a term expiring February 1,
6 2013. Any person who served as a member of the executive committee
7 before September 1, 2007, may be appointed to the board.

8 SECTION 49. This Act takes effect immediately if it
9 receives a vote of two-thirds of all the members elected to each
10 house, as provided by Section 39, Article III, Texas Constitution.
11 If this Act does not receive the vote necessary for immediate
12 effect, this Act takes effect September 1, 2007.

ADOPTED

MAY 21 2007

Atty. Gen.
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY:

Brinner / Estes

- 1 Amend HB 2542 on page 1, line 20, by striking "2015" and
- 2 substituting "2011".

ADOPTED

MAY 21 2007

FLOOR AMENDMENT NO. 2

Aditya Spaw
Secretary of the Senate

BY: *Estu*

1 Amend H.B. No. 2542 (senate committee printing) as follows:

2 (1) In SECTION 3 of the bill, strike amended Subdivisions
3 (2) and (3), Subsection (b), Section 487.021, Government Code (page
4 1, lines 36 through 47), and substitute the following:

5 (2) three public members appointed by the [~~lieutenant~~]
6 governor from a list of nominees submitted by the lieutenant
7 governor; [and]

8 (3) three public members appointed by the governor
9 from a list of nominees submitted by the speaker of the house of
10 representatives; and

11 (2) In SECTION 3 of the bill, strike added Subsection (b-1),
12 Section 487.021, Government Code (page 1, lines 50 and 51), and
13 substitute the following:

14 (b-1) The individuals nominated by the lieutenant governor
15 and the speaker of the house of representatives must reside in a
16 rural city or county and be interested in rural issues. In making
17 an appointment under Subsection (b)(2) or (3), the governor may
18 reject one or more of the nominees on a list submitted by the
19 lieutenant governor or the speaker of the house of representatives
20 and request a new list of different nominees.

ADOPTED

MAY 21 2007

Atty. Gen.
Secretary of the Senate

FLOOR AMENDMENT NO. 3

BY:

Robert Duncan

1 Amend H.B. No. 2542 (senate committee printing), in SECTION 3
2 of the bill, by striking amended Subsection (g), Section 487.021,
3 Government Code (page 2, lines 8 through 11), and substituting the
4 following:

5 (g) The commissioner of agriculture or the commissioner's
6 designee shall serve as ~~[members of]~~ the ~~[executive committee~~
7 ~~annually shall elect a]~~ presiding officer ~~[from among the members]~~
8 of the board ~~[executive committee]~~.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 11, 2007

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2542 by Kolkhorst (Relating to the continuation and functions of the Office of Rural Community Affairs.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend Government Code to continue the Office of Rural Community Affairs (ORCA) for eight years. The bill would modify the executive committee from a committee made up of nine members to a board with 11 members. The bill would narrow ORCA's powers and duties to include assisting rural communities in the key areas of economic development, community development, rural health, and rural housing; serve as a clearinghouse for information and resources on all state and federal programs affecting rural communities; identify and prioritize policy issues and concerns affecting rural communities in the state; and make recommendations to the legislature to address the concerns affecting rural communities. The bill would authorize ORCA to collocate its field staff in the Department of Agriculture's offices and work in conjunction with the Department of Agriculture to regularly cross-train office employees regarding the programs administered and services provided by each agency to rural communities. The bill would require the board to review grant applications and approve grant and loan awards. The bill would require ORCA to work in consultation with the Department of Agriculture to evaluate and streamline the administration of the rural Community Development Block Grant (CDBG) program.

Based on information provided by ORCA, the Department of Agriculture, and the Sunset Advisory Commission, it is assumed that any additional costs related to the duties and responsibilities associated with implementing the provisions of the bill could be covered by utilizing existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 357 Office of Rural Community Affairs, 551 Department of Agriculture

LBB Staff: JOB, MN, WK, AH

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 27, 2007

TO: Honorable Sid Miller, Chair, House Committee on Agriculture & Livestock

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2542 by Kolchhorst (Relating to the continuation and functions of the Office of Rural Community Affairs.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Government Code to continue the Office of Rural Community Affairs (ORCA) for eight years. The bill would modify the executive committee from a committee made up of nine members to a board with 11 members. The bill would narrow ORCA's powers and duties to include assisting rural communities in the key areas of economic development, community development, rural health, and rural housing; serve as a clearinghouse for information and resources on all state and federal programs affecting rural communities; identify and prioritize policy issues and concerns affecting rural communities in the state; and make recommendations to the legislature to address the concerns affecting rural communities. The bill would authorize ORCA to collocate its field staff in the Department of Agriculture's offices and work in conjunction with the Department of Agriculture to regularly cross-train office employees regarding the programs administered and services provided by each agency to rural communities. The bill would require the board to review grant applications and approve grant and loan awards. The bill would require ORCA to work in consultation with the Department of Agriculture to evaluate and streamline the administration of the rural Community Development Block Grant (CDBG) program.

Based on information provided by ORCA, the Department of Agriculture, and the Sunset Advisory Commission, it is assumed that any additional costs related to the duties and responsibilities associated with implementing the provisions of the bill could be covered by utilizing existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 357 Office of Rural Community Affairs, 551 Department of Agriculture

LBB Staff: JOB, WK, AH

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 2, 2007

TO: Honorable Sid Miller, Chair, House Committee on Agriculture & Livestock

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2542 by Kolkhorst (Relating to the continuation and functions of the Office of Rural Community Affairs.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Government Code to continue the Office of Rural Community Affairs (ORCA) for four years. The bill would modify the executive committee from a committee made up of nine members to a board with 11 members. The bill would narrow ORCA's powers and duties to include assisting rural communities in the key areas of economic development, community development, rural health, and natural resources; serve as a clearinghouse for information and resources on all state and federal programs affecting rural communities; identify and prioritize policy issues and concerns affecting rural communities in the state; and make recommendations to the legislature to address the concerns affecting rural communities. The bill would require ORCA to collocate its field staff in the Department of Agriculture's offices and work in conjunction with the Department of Agriculture to regularly cross-train office employees regarding the programs administered and services provided by each agency to rural communities. The bill would require the State Review Committee to review grant applications and approve grant and loan awards. The bill would require ORCA to work in consultation with the Department of Agriculture to evaluate and streamline the administration of the rural Community Development Block Grant (CDBG) program.

Based on information provided by ORCA, the Department of Agriculture, and the Sunset Advisory Commission, it is assumed that any additional costs related to the duties and responsibilities associated with implementing the provisions of the bill could be covered by utilizing existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 357 Office of Rural Community Affairs, 551 Department of Agriculture

LBB Staff: JOB, WK, AH

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

5-25-07

Date

ADOPTED by a RV of

MAY 27 2007

Robert Haney
Chief Clerk
House of Representatives

141V 0 N

2 PNV

HOUSE OF REPRESENTATIVES

07 MAY 26 PM 12:34

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HB 2542 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Estes - Chair

Hegar

Hinojosa

Jackson

Nichols On the part of the Senate

Kalkhorst - Chair

Bycock

R. Cook

Hardcastle

Heflin On the part of the House

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

H.B. No. 2542

A BILL TO BE ENTITLED

AN ACT

relating to the continuation and functions of the Office of Rural Community Affairs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 487.001(1), Government Code, is amended to read as follows:

(1) "Board" [~~"Executive committee"~~] means the board [~~executive committee~~] of the Office of Rural Community Affairs.

SECTION 2. Section 487.002, Government Code, is amended to read as follows:

Sec. 487.002. SUNSET PROVISION. The Office of Rural Community Affairs is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the office is abolished and this chapter expires September 1, 2013 [~~2007~~].

SECTION 3. Section 487.021, Government Code, is amended to read as follows:

Sec. 487.021. BOARD [~~EXECUTIVE COMMITTEE~~]. (a) The board [~~executive committee~~] is the governing body of the office.

(b) The board [~~executive committee~~] is composed of the following 11 [~~nine~~] members:

(1) four [~~three~~] members who represent different geographic regions of the state appointed by the governor, including:

1 (A) two locally elected rural city or county
2 officials or city or county employees involved with rural
3 development; and

4 (B) two public members each of whom resides in a
5 rural city or county;

6 (2) three public members appointed by the ~~[lieutenant]~~
7 governor from a list of nominees submitted by the lieutenant
8 governor; [and]

9 (3) three public members appointed by the governor
10 from a list of nominees submitted by the speaker of the house of
11 representatives; and

12 (4) the commissioner of agriculture or the
13 commissioner's designee.

14 (b-1) The individuals nominated by the lieutenant governor
15 and the speaker of the house of representatives must reside in a
16 rural city or county and be interested in rural issues. In making
17 an appointment under Subsection (b)(2) or (3), the governor may
18 reject one or more of the nominees on a list submitted by the
19 lieutenant governor or the speaker of the house of representatives
20 and request a new list of different nominees.

21 (c) In this section, "rural city or county" means a rural
22 city or county as defined by the federal community development
23 block grant nonentitlement program. [The governor, the lieutenant
24 governor, and the speaker of the house of representatives shall
25 each appoint at least two members who possess a strong
26 understanding of and commitment to rural interests based on the
27 individual's personal history, including residency, occupation,

1 ~~and business or civic activities.]~~

2 (d) Appointments to the board ~~[executive committee]~~ shall
3 be made without regard to the race, color, disability, sex,
4 religion, age, or national origin of the appointees.

5 (e) The members of the board who are not serving as an
6 additional duty of an office in state government ~~[executive~~
7 ~~committee]~~ serve for staggered six-year terms, with the terms of
8 three or four members expiring February 1 of each odd-numbered
9 year.

10 (f) Board ~~[Executive committee]~~ members receive no
11 compensation but are entitled to reimbursement of actual and
12 necessary expenses incurred in the performance of their duties.

13 (g) The governor shall designate a member ~~[The members]~~ of
14 the board as the ~~[executive committee annually shall elect a]~~
15 presiding officer ~~[from among the members]~~ of the board to serve in
16 that capacity at the will of the governor ~~[executive committee]~~.

17 (h) Service on the board by the commissioner of agriculture
18 or an officer of a county or municipality is an additional duty of
19 the individual's office.

20 SECTION 4. Sections 487.022(b) and (c), Government Code,
21 are amended to read as follows:

22 (b) A person may not be a member of the board ~~[executive~~
23 ~~committee]~~ and may not be an office employee employed in a "bona
24 fide executive, administrative, or professional capacity," as that
25 phrase is used for purposes of establishing an exemption to the
26 overtime provisions of the federal Fair Labor Standards Act of 1938
27 (29 U.S.C. Section 201 et seq.) and its subsequent amendments, if:

1 (1) the person is an officer, employee, or paid
2 consultant of a Texas trade association in the field of rural
3 affairs; or

4 (2) the person's spouse is an officer, manager, or paid
5 consultant of a Texas trade association in the field of rural
6 affairs.

7 (c) A person may not be a member of the board [~~executive~~
8 ~~committee~~] or act as the general counsel to the board [~~executive~~
9 ~~committee~~] or the office if the person is required to register as a
10 lobbyist under Chapter 305 because of the person's activities for
11 compensation on behalf of a profession related to the operation of
12 the office.

13 SECTION 5. Sections 487.023 through 487.027, Government
14 Code, are amended to read as follows:

15 Sec. 487.023. TRAINING FOR MEMBERS OF BOARD [~~EXECUTIVE~~
16 ~~COMMITTEE~~]. (a) A person who is appointed to and qualifies for
17 office as a member of the board [~~executive committee~~] may not vote,
18 deliberate, or be counted as a member in attendance at a meeting of
19 the board [~~executive committee~~] until the person completes a
20 training program that complies with this section.

21 (b) The training program must provide the person with
22 information regarding:

23 (1) the legislation that created the office [~~and the~~
24 ~~executive committee~~];

25 (2) the programs, [~~operated by the office,~~

26 ~~[(3) the role and]~~ functions, [~~of the office,~~

27 ~~[(4) the]~~ rules, [~~of the office, with an emphasis on~~

~~any rules that relate to disciplinary] and [investigatory authority,~~

~~[(5) the current]~~ budget of ~~[for]~~ the office;

(3) ~~[(6)]~~ the results of the most recent formal audit of the office;

(4) ~~[(7)]~~ the requirements of laws relating to[-

~~[(A) the] open meetings [law], [Chapter 551,~~

~~[(B) the] public information [law], [Chapter~~

~~552,~~

~~[(C) the] administrative procedure [law],~~

~~[Chapter 2001,~~] and conflicts of interest

~~[(D) other laws relating to public officials,~~

~~including conflict-of-interest laws]; and~~

(5) ~~[(8)]~~ any applicable ethics policies adopted by the office ~~[executive committee]~~ or the Texas Ethics Commission.

(c) A person appointed to the board ~~[executive committee]~~ is entitled to reimbursement, as provided by ~~[general law and]~~ the General Appropriations Act, for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

Sec. 487.024. REMOVAL. (a) It is a ground for removal from the board ~~[executive committee]~~ that a member:

(1) does not have at the time of taking office the qualifications required by Section 487.021;

(2) does not maintain during service on the board ~~[executive committee]~~ the qualifications required by Section

CPD

1 487.021;

2 (3) is ineligible for membership under Section
3 487.022;

4 (4) cannot, because of illness or disability,
5 discharge the member's duties for a substantial part of the member's
6 term; or

7 (5) is absent from more than half of the regularly
8 scheduled board [~~executive committee~~] meetings that the member is
9 eligible to attend during a calendar year without an excuse
10 approved by a majority vote of the board [~~executive committee~~].

11 (b) The validity of an action of the board [~~executive~~
12 ~~committee~~] is not affected by the fact that it is taken when a
13 ground for removal of a board [~~an executive committee~~] member
14 exists.

15 (c) If the executive director has knowledge that a potential
16 ground for removal exists, the executive director shall notify the
17 presiding officer of the board [~~executive committee~~] of the
18 potential ground. The presiding officer shall then notify the
19 appointing authority [~~governor~~] and the attorney general that a
20 potential ground for removal exists. If the potential ground for
21 removal involves the presiding officer, the executive director
22 shall notify the next highest ranking officer of the board
23 [~~executive committee~~], who shall then notify the appointing
24 authority [~~governor~~] and the attorney general that a potential
25 ground for removal exists.

26 Sec. 487.025. DIVISION OF RESPONSIBILITY. The board
27 [~~executive committee~~] shall develop and implement policies that

1 clearly separate the policy-making responsibilities of the board
2 [~~executive committee~~] and the management responsibilities of the
3 executive director and staff of the office.

4 Sec. 487.026. EXECUTIVE DIRECTOR. (a) The board
5 [~~executive committee~~] may hire an executive director to serve as
6 the chief executive officer of the office and to perform the
7 administrative duties of the office.

8 (b) The executive director serves at the will of the board
9 [~~executive committee~~].

10 (c) The executive director may hire staff within guidelines
11 established by the board [~~executive committee~~].

12 Sec. 487.027. PUBLIC HEARINGS. The board [~~executive~~
13 ~~committee~~] shall develop and implement policies that provide the
14 public with a reasonable opportunity to appear before the board
15 [~~executive committee~~] and to speak on any issue under the
16 jurisdiction of the office.

17 SECTION 6. Section 487.029, Government Code, is amended to
18 read as follows:

19 Sec. 487.029. STANDARDS OF CONDUCT. The executive director
20 or the executive director's designee shall provide to members of
21 the board [~~executive committee~~] and to agency employees, as often
22 as necessary, information regarding the requirements for office or
23 employment under this chapter, including information regarding a
24 person's responsibilities under applicable laws relating to
25 standards of conduct for state officers or employees.

26 SECTION 7. Section 487.030, Government Code, is amended to
27 read as follows:

1 Sec. 487.030. COMPLAINTS. (a) The office shall maintain a
2 system to promptly and efficiently act on complaints ~~[file on each~~
3 ~~written complaint]~~ filed with the office. The office shall
4 maintain information about parties to the complaint, the subject
5 matter of the complaint, a summary of the results of the review or
6 investigation of the complaint, and its disposition ~~[The file must~~
7 ~~include:~~

- 8 ~~[(1) the name of the person who filed the complaint,~~
- 9 ~~[(2) the date the complaint is received by the office,~~
- 10 ~~[(3) the subject matter of the complaint,~~
- 11 ~~[(4) the name of each person contacted in relation to~~
- 12 ~~the complaint,~~
- 13 ~~[(5) a summary of the results of the review or~~
- 14 ~~investigation of the complaint, and~~
- 15 ~~[(6) an explanation of the reason the file was closed,~~
- 16 ~~if the office closed the file without taking action other than to~~
- 17 ~~investigate the complaint].~~

18 (b) The office shall make information available describing
19 its ~~[provide to the person filing the complaint and to each person~~
20 ~~who is a subject of the complaint a copy of the office's policies~~
21 ~~and]~~ procedures for ~~[relating to]~~ complaint investigation and
22 resolution.

23 (c) The office~~[, at least quarterly until final disposition~~
24 ~~of the complaint,]~~ shall periodically notify the complaint parties
25 ~~[person filing the complaint and each person who is a subject of the~~
26 ~~complaint]~~ of the status of the complaint until final disposition
27 ~~[investigation unless the notice would jeopardize an undercover~~

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1 ~~investigation]~~.

2 SECTION 8. Subchapter B, Chapter 487, Government Code, is
3 amended by adding Sections 487.031 and 487.032 to read as follows:

4 Sec. 487.031. USE OF TECHNOLOGY. The board shall implement
5 a policy requiring the office to use appropriate technological
6 solutions to improve the office's ability to perform its functions.
7 The policy must ensure that the public is able to interact with the
8 office on the Internet.

9 Sec. 487.032. NEGOTIATED RULEMAKING AND ALTERNATIVE
10 DISPUTE RESOLUTION PROCEDURES. (a) The board shall develop and
11 implement a policy to encourage the use of:

12 (1) negotiated rulemaking procedures under Chapter
13 2008 for the adoption of office rules; and

14 (2) appropriate alternative dispute resolution
15 procedures under Chapter 2009 to assist in the resolution of
16 internal and external disputes under the office's jurisdiction.

17 (b) The office's procedures relating to alternative dispute
18 resolution must conform, to the extent possible, to any model
19 guidelines issued by the State Office of Administrative Hearings
20 for the use of alternative dispute resolution by state agencies.

21 (c) The board shall designate a trained person to:

22 (1) coordinate the implementation of the policy
23 adopted under Subsection (a);

24 (2) serve as a resource for any training needed to
25 implement the procedures for negotiated rulemaking or alternative
26 dispute resolution; and

27 (3) collect data concerning the effectiveness of those

1 procedures, as implemented by the office.

2 SECTION 9. Section 487.051, Government Code, is amended to
3 read as follows:

4 Sec. 487.051. POWERS AND DUTIES. (a) The office shall:

5 (1) assist rural communities in the key areas of
6 economic development, community development, rural health, and
7 rural housing [~~develop a rural policy for the state in consultation~~
8 ~~with local leaders representing all facets of rural community life,~~
9 ~~academic and industry experts, and state elected and appointed~~
10 ~~officials with interests in rural communities~~];

11 (2) serve as a clearinghouse for information and
12 resources on all state and federal programs affecting rural
13 communities [~~work with other state agencies and officials to~~
14 ~~improve the results and the cost-effectiveness of state programs~~
15 ~~affecting rural communities through coordination of efforts~~];

16 (3) in consultation with rural community leaders,
17 locally elected officials, state elected and appointed officials,
18 academic and industry experts, and the interagency work group
19 created under this chapter, identify and prioritize policy issues
20 and concerns affecting rural communities in the state [~~develop~~
21 ~~programs to improve the leadership capacity of rural community~~
22 ~~leaders~~];

23 (4) make recommendations to the legislature to address
24 the concerns affecting rural communities identified under
25 Subdivision (3);

26 (5) monitor developments that have a substantial
27 effect on rural Texas communities, especially actions of state

1 government, and compile an annual report describing and evaluating
2 the condition of rural communities;

3 (6) [~~(5)~~] administer the federal community
4 development block grant nonentitlement program;

5 (7) [~~(6)~~] administer programs supporting rural health
6 care as provided by this chapter;

7 (8) [~~(7)~~] perform research to determine the most
8 beneficial and cost-effective ways to improve the welfare of rural
9 communities;

10 (9) [~~(8)~~] ensure that the office qualifies as the
11 state's office of rural health for the purpose of receiving grants
12 from the Office of Rural Health Policy of the United States
13 Department of Health and Human Services under 42 U.S.C. Section
14 254r;

15 (10) [~~(9)~~] manage the state's Medicare rural hospital
16 flexibility program under 42 U.S.C. Section 1395i-4; ~~[and]~~

17 (11) [~~(10)~~] seek state and federal money available for
18 economic development in rural areas for programs under this
19 chapter; and

20 (12) in conjunction with the Department of
21 Agriculture, regularly cross-train office employees with employees
22 of the Department of Agriculture regarding the programs
23 administered and services provided by each agency to rural
24 communities.

25 (b) The office may require office employees who work at
26 locations other than the central office to be based in Department of
27 Agriculture offices.

1 SECTION 10. Section 487.052, Government Code, is amended to
2 read as follows:

3 Sec. 487.052. RULES. The board [~~executive committee~~] may
4 adopt rules as necessary to implement this chapter.

5 SECTION 11. Section 487.053(b), Government Code, is amended
6 to read as follows:

7 (b) All gifts, grants, and donations must be accepted in an
8 open meeting by a majority of the voting members of the board
9 [~~executive committee~~] and reported in the public record of the
10 meeting with the name of the donor and purpose of the gift, grant,
11 or donation.

12 SECTION 12. Section 487.054(b), Government Code, is amended
13 to read as follows:

14 (b) The board [~~executive committee~~] shall call the annual
15 meeting. The board [~~executive committee~~] shall set the time and
16 date of the meeting after consulting with the agency heads listed in
17 Subsection (a).

18 SECTION 13. Section 487.055, Government Code, is amended to
19 read as follows:

20 Sec. 487.055. ADVISORY COMMITTEES. The board [~~executive~~
21 ~~committee~~] may appoint advisory committees as necessary to assist
22 the board [~~executive committee~~] in performing its duties. An
23 advisory committee may be composed of private citizens and
24 representatives from state and local governmental entities. A
25 state or local governmental entity shall appoint a representative
26 to an advisory committee at the request of the board [~~executive~~
27 ~~committee~~]. Chapter 2110 does not apply to an advisory committee

1 created under this section.

2 SECTION 14. Section 487.056, Government Code, is amended by
3 adding Subsection (c) to read as follows:

4 (c) The office shall obtain information on the availability
5 of housing in rural communities throughout the state for all income
6 levels. The office shall include the information, and the office's
7 assessment of the information, in the office's report to the
8 legislature.

9 SECTION 15. Section 487.057(b), Government Code, is amended
10 to read as follows:

11 (b) The office shall submit the rural health work plan to
12 the board [~~executive committee~~] for approval. The board [~~executive~~
13 ~~committee~~] shall approve the rural health work plan not later than
14 August 1 of each odd-numbered year.

15 SECTION 16. Sections 487.059(b), (c), (e), (f), and (g),
16 Government Code, are amended to read as follows:

17 (b) If a member of the board [~~executive committee~~] or a
18 [~~another~~] committee established under this chapter, including an
19 advisory committee, has a financial interest in an entity that
20 applies for a monetary award, the board or committee member shall,
21 before a vote on the monetary award, disclose the fact of the board
22 or committee member's financial interest. The board or committee
23 shall enter the disclosure into the minutes of the meeting at which
24 a vote on the monetary award is taken. The board or committee
25 member may not vote on or otherwise participate in a discussion or
26 any other activity that relates to awarding the monetary award. If
27 the board or committee member does not comply with this subsection,

1 the entity is not eligible for the monetary award.

2 (c) If the executive director or another office employee has
3 a financial interest in an entity that applies for a monetary award,
4 the executive director or employee:

5 (1) shall, as soon as possible, disclose to the board
6 ~~[executive committee]~~ the fact of the director's or employee's
7 financial interest;

8 (2) may not participate in staff evaluations regarding
9 the monetary award; and

10 (3) if the executive director or employee under office
11 procedures may ~~[has a]~~ vote, or make a recommendation concerning a
12 vote, on a matter that involves the monetary award:

13 (A) shall disclose the fact of the director's or
14 employee's financial interest before a vote on the monetary award,
15 which the board or committee shall enter into the minutes of the
16 meeting at which a vote on the monetary award is taken; and

17 (B) may not vote on or otherwise participate in a
18 discussion or any other activity that relates to awarding the
19 monetary award.

20 (e) Subsections (f) and (g) apply only to a member of the
21 board or a ~~[executive]~~ committee who is employed by:

22 (1) an entity that offers to enter into a contract with
23 the office; or

24 (2) an entity that is under common ownership or
25 governance with or otherwise affiliated with an entity that applies
26 for a monetary award or offers to enter into a contract with the
27 office.

1 (f) The board or ~~[executive]~~ committee member shall, before
2 a vote on the monetary award or contract, disclose the fact of the
3 member's employment by the entity. The board or ~~[executive]~~
4 committee shall enter the disclosure into the minutes of the
5 meeting at which a vote on the monetary award or contract is taken.
6 The board or ~~[executive]~~ committee member may not vote on or
7 otherwise participate in a discussion or any other activity that
8 relates to awarding the monetary award or contract.

9 (g) If the board or ~~[executive]~~ committee member does not
10 comply with Subsection (f), the entity is not eligible to be awarded
11 the monetary award or contract.

12 SECTION 17. Sections 487.103(a), (b), and (c), Government
13 Code, are amended to read as follows:

14 (a) The selection committee shall advise the board
15 ~~[executive committee]~~ on the progress of the program.

16 (b) The selection committee is composed of 12 members
17 appointed by the board ~~[executive committee]~~.

18 (c) The board ~~[executive committee]~~ shall consider
19 geographical representation in making appointments to the
20 selection committee.

21 SECTION 18. Sections 487.104(b) and (d), Government Code,
22 are amended to read as follows:

23 (b) The selection committee shall make selections based on
24 criteria approved by the board ~~[executive committee]~~ and adopted as
25 a rule of the office.

26 (d) The selection committee shall recommend to the board
27 ~~[executive committee]~~ guidelines to be used by rural communities in

1 the selection of students for nomination and sponsorship as
2 outstanding rural scholars.

3 SECTION 19. Section 487.107, Government Code, is amended to
4 read as follows:

5 Sec. 487.107. AWARDING OF LOANS. (a) The selection
6 committee shall recommend to the board [~~executive committee~~]
7 guidelines for the awarding of forgivable loans to outstanding
8 rural scholars.

9 (b) The board [~~executive committee~~], acting on the advice of
10 the selection committee, shall award forgivable loans to
11 outstanding rural scholars based on the availability of money in
12 the fund.

13 (c) If in any year the fund is inadequate to provide loans to
14 all eligible applicants, the board [~~executive committee~~] shall
15 award forgivable loans on a priority basis according to the
16 applicants' academic performance, test scores, and other criteria
17 of eligibility.

18 SECTION 20. Section 487.108(a), Government Code, is amended
19 to read as follows:

20 (a) On confirmation of an outstanding rural scholar's
21 admission to a postsecondary educational institution, or on receipt
22 of an enrollment report of the scholar at a postsecondary
23 educational institution, and a certification of the amount of
24 financial support needed, the selection committee annually shall
25 recommend to the board [~~executive committee~~] that the board
26 [~~committee~~] award a forgivable loan to the scholar in the amount of
27 50 percent of the cost of the scholar's tuition, fees, educational

1 materials, and living expenses.

2 SECTION 21. Sections 487.109(b), (c), and (d), Government
3 Code, are amended to read as follows:

4 (b) The sponsoring community shall report to the board
5 ~~[executive committee]~~ the length of time the scholar practices as a
6 health care professional in the community.

7 (c) If the board ~~[executive committee]~~ finds that a
8 sponsoring community is not in need of the scholar's services and
9 that the community is willing to forgive repayment of the principal
10 balance and interest of the scholar's loan, the board ~~[executive~~
11 ~~committee]~~ by rule may provide for the principal balance and
12 interest of one year of the scholar's loan to be forgiven for each
13 year the scholar practices in another rural community in this
14 state.

15 (d) Any amount of loan principal or interest that is not
16 forgiven under this section shall be repaid to the office with
17 reasonable collection fees in a timely manner as provided by board
18 ~~[executive committee]~~ rule.

19 SECTION 22. Section 487.112, Government Code, is amended to
20 read as follows:

21 Sec. 487.112. ADOPTION AND DISTRIBUTION OF RULES. (a) The
22 board ~~[executive committee]~~ shall adopt reasonable rules to enforce
23 the requirements, conditions, and limitations under this
24 subchapter.

25 (b) The board ~~[executive committee]~~ shall set the rate of
26 interest charged on a forgivable loan under this subchapter.

27 (c) The board ~~[executive committee]~~ shall adopt rules

1 necessary to ensure compliance with the federal Civil Rights Act of
2 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
3 in admissions.

4 SECTION 23. Section 487.154, Government Code, is amended to
5 read as follows:

6 Sec. 487.154. LOANS. (a) The board [~~executive committee~~]
7 may award forgivable educational loans to eligible students under
8 this subchapter.

9 (b) The board [~~executive committee~~] may award forgivable
10 loans to eligible students based on the availability of money in the
11 fund.

12 (c) If in any year the fund is inadequate to provide loans to
13 all eligible students, the board [~~executive committee~~] may award
14 forgivable loans on a priority basis according to the students'
15 academic performance, test scores, and other criteria of
16 eligibility.

17 SECTION 24. Section 487.155(a), Government Code, is amended
18 to read as follows:

19 (a) To be eligible to receive a loan under this subchapter,
20 a student must:

21 (1) be sponsored by an eligible community;

22 (2) at the time of the application for the loan, be
23 enrolled in high school or enrolled or accepted for enrollment in a
24 postsecondary educational institution in this state;

25 (3) meet academic requirements as established by the
26 board [~~executive committee~~];

27 (4) plan to complete a health care professional degree

1 or certificate program;

2 (5) plan to practice as a health care professional in a
3 qualified area of the state; and

4 (6) meet other requirements as established by the
5 board [~~executive committee~~].

6 SECTION 25. Section 487.156(c), Government Code, is amended
7 to read as follows:

8 (c) The board [~~executive committee~~] shall determine the
9 percentage of educational expenses communities are required to
10 provide under this section.

11 SECTION 26. Section 487.157(a), Government Code, is amended
12 to read as follows:

13 (a) On confirmation of an eligible student's admission to a
14 postsecondary educational institution, or on receipt of an
15 enrollment report of the student at a postsecondary educational
16 institution, and certification of the amount of financial support
17 needed, the board [~~executive committee~~] may award a forgivable loan
18 to the student in the amount of not more than the cost of the
19 student's tuition, fees, educational materials, and living
20 expenses.

21 SECTION 27. Section 487.158(b), Government Code, is amended
22 to read as follows:

23 (b) The contract must provide that if the student does not
24 provide the required services to the community or provides those
25 services for less than the required time, the student is personally
26 liable to the state for:

27 (1) the total amount of assistance the student

1 receives from the office and the sponsoring community;

2 (2) interest on the total amount at a rate set by the
3 board [~~executive committee~~]; and

4 (3) the state's reasonable expenses incurred in
5 obtaining payment, including reasonable attorney's fees.

6 SECTION 28. Section 487.159(b), Government Code, is amended
7 to read as follows:

8 (b) If the board [~~executive committee~~] finds that a
9 sponsoring community is not in need of the student's services and
10 that the community is willing to forgive repayment of the principal
11 balance and interest of the student's loan, the board [~~executive~~
12 ~~committee~~] by rule may provide for the principal balance and
13 interest of the student's loan to be forgiven if the student
14 provides services in another qualified area in this state.

15 SECTION 29. Sections 487.161(b) and (c), Government Code,
16 are amended to read as follows:

17 (b) The sponsoring community shall report to the board
18 [~~executive committee~~] the length of time the student provides
19 health care services in the community in accordance with the
20 guidelines established by the board [~~executive committee~~].

21 (c) A postsecondary educational institution shall provide
22 to the board [~~executive committee~~] a copy of the academic
23 transcript of each student for whom the institution has received a
24 release that complies with state and federal open records laws and
25 that authorizes the provision of the transcript.

26 SECTION 30. Section 487.163, Government Code, is amended to
27 read as follows:

1 Sec. 487.163. ADOPTION OF RULES. (a) The board [~~executive~~
2 ~~committee~~] shall adopt reasonable rules to enforce the
3 requirements, conditions, and limitations of this subchapter.

4 (b) The board [~~executive committee~~] shall set the rate of
5 interest charged on a forgivable loan under this subchapter.

6 (c) The board [~~executive committee~~] shall adopt rules
7 necessary to ensure compliance with the federal Civil Rights Act of
8 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
9 in admissions.

10 SECTION 31. Sections 487.202, 487.203, and 487.204,
11 Government Code, are amended to read as follows:

12 Sec. 487.202. PROGRAM. (a) The board [~~executive~~
13 ~~committee~~] shall establish and administer a program under this
14 subchapter to increase the number of physicians providing primary
15 care in medically underserved communities.

16 (b) A medically underserved community may sponsor a
17 physician who has completed a primary care residency program and
18 has agreed to provide primary care in the community by contributing
19 start-up money for the physician and having that contribution
20 matched wholly or partly by state money appropriated to the office
21 [~~executive committee~~] for that purpose.

22 (c) A participating medically underserved community may
23 provide start-up money to an eligible physician over a two-year
24 period.

25 (d) The office [~~executive committee~~] may not pay more than
26 \$25,000 to a community in a fiscal year unless the board [~~executive~~
27 ~~committee~~] makes a specific finding of need by the community.

1 (e) The board [~~executive committee~~] shall establish
2 priorities so that the neediest communities eligible for assistance
3 under this subchapter are assured the receipt of a grant.

4 Sec. 487.203. ELIGIBILITY. To be eligible to receive money
5 from the office [~~executive committee~~], a medically underserved
6 community must:

7 (1) apply for the money; and

8 (2) provide evidence satisfactory to the board
9 [~~executive committee~~] that it has entered into an agreement with a
10 physician for the physician to provide primary care in the
11 community for at least two years.

12 Sec. 487.204. RULES. The board [~~executive committee~~] shall
13 adopt rules necessary for the administration of this subchapter,
14 including rules addressing:

15 (1) eligibility criteria for a medically underserved
16 community;

17 (2) eligibility criteria for a physician;

18 (3) minimum and maximum community contributions to the
19 start-up money for a physician to be matched with state money;

20 (4) conditions under which state money must be repaid
21 by a community or physician;

22 (5) procedures for disbursement of money by the office
23 [~~executive committee~~];

24 (6) the form and manner in which a community must make
25 its contribution to the start-up money; and

26 (7) the contents of an agreement to be entered into by
27 the parties, which must include at least:

- 1 (A) a credit check for an eligible physician; and
2 (B) community retention of interest in any
3 property, equipment, or durable goods for seven years.

4 SECTION 32. Section 487.252, Government Code, is amended to
5 read as follows:

6 Sec. 487.252. TEXAS HEALTH SERVICE CORPS PROGRAM. (a) The
7 board [~~executive committee~~] shall establish a program in the office
8 to assist communities in recruiting and retaining physicians to
9 practice in medically underserved areas.

10 (b) The board [~~executive committee~~] by rule shall
11 establish:

- 12 (1) eligibility criteria for applicants;
13 (2) stipend application procedures;
14 (3) guidelines relating to stipend amounts;
15 (4) procedures for evaluating stipend applications;
16 and
17 (5) a system of priorities relating to the:
18 (A) geographic areas covered;
19 (B) medical specialties eligible to receive
20 funding under the program; and
21 (C) level of stipend support.

22 SECTION 33. Section 487.253(a), Government Code, is amended
23 to read as follows:

24 (a) The board [~~executive committee~~] shall adopt rules
25 necessary to administer this subchapter, and the office shall
26 administer the program in accordance with those rules.

27 SECTION 34. Section 487.351, Government Code, is amended by

adding Subsection (c) to read as follows:

(c) The office shall give priority to eligible activities in the areas of economic development, community development, rural health, and rural housing to support workforce development in awarding funding for community development block grant programs.

SECTION 35. Subchapter I, Chapter 487, Government Code, is amended by adding Section 487.3515 to read as follows:

Sec. 487.3515. EVALUATION OF COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM. (a) The office, in consultation with the Department of Agriculture, shall review and evaluate the administration of the state's allocation of federal funds under the community development block grant nonentitlement program and, based on the results of the evaluation, streamline administration of the program and program requirements. The office shall, at a minimum, evaluate:

(1) combining program fund categories, within allowable limits provided by state statute, the General Appropriations Act, and federal law and regulations;

(2) simplifying the grant application and scoring process; and

(3) regularly reviewing and closing out aged contracts.

(b) The office shall implement program changes resulting from the evaluation that do not require statutory changes as soon as possible, but not later than the date the office publishes the next community development block grant nonentitlement program action plan.

(c) The office shall include the findings from the

1 evaluation, program changes resulting from the evaluation, and any
2 statutory changes needed to make additional changes in the agency's
3 biennial report to the 81st Legislature.

4 (d) This section expires September 1, 2009.

5 SECTION 36. Section 487.353, Government Code, is amended by
6 amending Subsections (i) and (j) and adding Subsections (k) and (l)
7 to read as follows:

8 (i) The committee shall:

9 (1) consult with and advise the executive director on
10 the administration and enforcement of the community development
11 block grant program; and

12 (2) in consultation with the executive director and
13 office staff, review and approve grant and loan [funding]
14 applications and associated funding awards of eligible counties and
15 municipalities and advise and assist the executive director
16 regarding the allocation of program funds to those applicants.

17 (j) The committee may annually recommend to the executive
18 director a formula for allocating funds to each geographic state
19 planning region[✓] established by the governor under Chapter 391,
20 Local Government Code. The formula must give preference to regions[✓]
21 according to the regions' needs. (11)3K-
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22 (k) An applicant for a grant, loan, or award under a
23 community development block grant program may appeal a decision of
24 the committee by filing a complaint with the board. The board shall
25 hold a hearing on a complaint filed with the board under this
26 subsection and render a decision.

27 (l) The committee is a governmental body for purposes of the

1 open meetings law, Chapter 551.

2 SECTION 37. Section 487.401, Government Code, is amended to
3 read as follows:

4 Sec. 487.401. ADMINISTRATION. (a) The board [~~executive~~
5 ~~committee~~] shall adopt rules that establish a procedure for
6 designating a hospital as a rural hospital in order for the hospital
7 to qualify for federal funds under 42 C.F.R. Part 412.

8 (b) At the hospital's request, the office shall designate
9 the hospital as a rural hospital if the hospital meets the
10 requirements for a rural hospital under the board's [~~executive~~
11 ~~committee's~~] rules.

12 SECTION 38. Section 487.451(1), Government Code, is amended
13 to read as follows:

- 14 (1) "Health care professional" means:
- 15 (A) an advanced nurse practitioner;
 - 16 (B) a dentist;
 - 17 (C) a dental hygienist;
 - 18 (D) a laboratory technician;
 - 19 (E) a licensed vocational nurse;
 - 20 (F) a licensed professional counselor;
 - 21 (G) a medical radiological technologist;
 - 22 (H) an occupational therapist;
 - 23 (I) a pharmacist;
 - 24 (J) a physical therapist;
 - 25 (K) a physician;
 - 26 (L) a physician assistant;
 - 27 (M) a psychologist;

1 (N) a registered nurse;
2 (O) a social worker;
3 (P) a speech-language pathologist;
4 (Q) a veterinarian;
5 (R) a chiropractor; and
6 (S) another appropriate health care professional
7 identified by the board [~~executive committee~~].

8 SECTION 39. Section 487.452(a), Government Code, is amended
9 to read as follows:

10 (a) The board [~~executive committee~~], in collaboration with
11 Area Health Education Center Programs, shall establish a community
12 healthcare awareness and mentoring program for students to:

13 (1) identify high school students in rural and
14 underserved urban areas who are interested in serving those areas
15 as health care professionals;

16 (2) identify health care professionals in rural and
17 underserved urban areas to act as positive role models, mentors, or
18 reference resources for the interested high school students;

19 (3) introduce interested high school students to the
20 spectrum of professional health care careers through activities
21 such as health care camps and shadowing of health care
22 professionals;

23 (4) encourage a continued interest in service as
24 health care professionals in rural and underserved urban areas by
25 providing mentors and community resources for students
26 participating in training or educational programs to become health
27 care professionals; and

1 (5) provide continuing community-based support for
2 students during the period the students are attending training or
3 educational programs to become health care professionals,
4 including summer job opportunities and opportunities to mentor high
5 school students in the community.

6 SECTION 40. Section 487.454, Government Code, is amended to
7 read as follows:

8 Sec. 487.454. GRANTS; ELIGIBILITY. (a) Subject to
9 available funds, the board [~~executive committee~~] shall develop and
10 implement, as a component of the program, a grant program to support
11 employment opportunities in rural and underserved urban areas in
12 this state for students participating in training or educational
13 programs to become health care professionals.

14 (b) In awarding grants under the program, the board
15 [~~executive committee~~] shall give first priority to grants to
16 training or educational programs that provide internships to
17 students.

18 (c) To be eligible to receive a grant under the grant
19 program, a person must:

20 (1) apply for the grant on a form adopted by the board
21 [~~executive committee~~];

22 (2) be enrolled or intend to be enrolled in a training
23 or educational program to become a health care professional;

24 (3) commit to practice or work, after licensure as a
25 health care professional, for at least one year as a health care
26 professional in a rural or underserved urban area in this state; and

27 (4) comply fully with any practice or requirements

1 associated with any scholarship, loan, or other similar benefit
2 received by the student.

3 (d) As a condition of receiving a grant under the program
4 the student must agree to repay the amount of the grant, plus a
5 penalty in an amount established by rule of the board [~~executive~~
6 ~~committee~~] not to exceed two times the amount of the grant, if the
7 student becomes licensed as a health care professional and fails to
8 practice or work for at least one year as a health care professional
9 in a rural or underserved urban area in this state.

10 SECTION 41. Section 487.553, Government Code, is amended to
11 read as follows:

12 Sec. 487.553. LOAN REIMBURSEMENT PROGRAM. The board
13 [~~executive committee~~] shall establish a program in the office to
14 assist communities in recruiting health professionals to practice
15 in medically underserved communities by providing loan
16 reimbursement for health professionals who serve in those
17 communities.

18 SECTION 42. Section 487.554(a), Government Code, is amended
19 to read as follows:

20 (a) The board [~~executive committee~~] shall establish a
21 program in the office to assist communities in recruiting health
22 professionals to practice in medically underserved communities by
23 providing a stipend to health professionals who agree to serve in
24 those communities.

25 SECTION 43. Section 487.555(e), Government Code, is amended
26 to read as follows:

27 (e) A contract under this section must provide that a health

1 professional who does not provide the required services to the
2 community or provides those services for less than the required
3 time is personally liable to the state for:

4 (1) the total amount of assistance the health
5 professional received from the office and the medically underserved
6 community;

7 (2) interest on the amount under Subdivision (1) at a
8 rate set by the board [~~executive committee~~];

9 (3) the state's reasonable expenses incurred in
10 obtaining payment, including reasonable attorney's fees; and

11 (4) a penalty as established by the board [~~executive~~
12 ~~committee~~] by rule to help ensure compliance with the contract.

13 SECTION 44. Section 487.556, Government Code, is amended to
14 read as follows:

15 Sec. 487.556. POWERS AND DUTIES OF OFFICE. (a) The board
16 [~~executive committee~~] shall adopt rules necessary for the
17 administration of this subchapter, including guidelines for:

18 (1) developing contracts under which loan
19 reimbursement or stipend recipients provide services to qualifying
20 communities;

21 (2) identifying the duties of the state, state agency,
22 loan reimbursement or stipend recipient, and medically underserved
23 community under the loan reimbursement or stipend contract;

24 (3) determining a rate of interest[✓] to be charged under[✓]
25 Section 487.555(e)(2);

26 (4) ensuring that a loan reimbursement or stipend
27 recipient provides access to health services to participants in

1 government-funded health benefits programs in qualifying
2 communities;

3 (5) encouraging the use of telecommunications or
4 telemedicine, as appropriate;

5 (6) prioritizing the provision of loan reimbursements
6 and stipends to health professionals who are not eligible for any
7 other state loan forgiveness, loan repayment, or stipend program;

8 (7) prioritizing the provision of loan reimbursements
9 and stipends to health professionals who are graduates of health
10 professional degree programs in this state;

11 (8) encouraging a medically underserved community
12 served by a loan reimbursement or stipend recipient to contribute
13 to the cost of the loan reimbursement or stipend when making a
14 contribution is feasible; and

15 (9) requiring a medically underserved community
16 served by a loan reimbursement or stipend recipient to assist the
17 office in contracting with the loan reimbursement or stipend
18 recipient who will serve that community.

19 (b) The board [~~executive committee~~] by rule may designate
20 areas of the state as medically underserved communities.

21 (c) The board [~~executive committee~~] shall make reasonable
22 efforts to contract with health professionals from a variety of
23 different health professions.

24 SECTION 45. Section 487.608(a), Government Code, is amended
25 to read as follows:

26 (a) The rural physician relief advisory committee is
27 composed of the following members appointed by the board [~~executive~~

1 ~~committee~~]:

2 (1) a physician who practices in the area of general
3 family medicine in a rural county;

4 (2) a physician who practices in the area of general
5 internal medicine in a rural county;

6 (3) a physician who practices in the area of general
7 pediatrics in a rural county;

8 (4) a representative from an accredited Texas medical
9 school;

10 (5) a program director from an accredited primary care
11 residency program;

12 (6) a representative from the Texas Higher Education
13 Coordinating Board; and

14 (7) a representative from the Texas [~~State Board of~~
15 Medical Board [✓] ~~Examiners~~].

16 SECTION 46. Section 110.003(a), Health and Safety Code, is
17 amended to read as follows:

18 (a) The Rural Foundation is governed by a board of five
19 directors appointed by the board [~~executive committee~~] of the
20 Office of Rural Community Affairs from individuals recommended by
21 the executive director of the Office of Rural Community Affairs.

22 SECTION 47. Section 110.010, Health and Safety Code, is
23 amended to read as follows:

24 Sec. 110.010. MEMORANDUM OF UNDERSTANDING. The Rural
25 Foundation and the Office of Rural Community Affairs shall enter
26 into a memorandum of understanding that:

27 (1) requires the board of directors and staff of the

1 foundation to report to the executive director and board [~~executive~~
2 ~~committee~~] of the Office of Rural Community Affairs;

3 (2) allows the Office of Rural Community Affairs to
4 provide staff functions to the foundation;

5 (3) allows the Office of Rural Community Affairs to
6 expend funds on the foundation; and

7 (4) outlines the financial contributions to be made to
8 the foundation from funds obtained from grants and other sources.

9 SECTION 48. (a) The nine members of the executive committee
10 of the Office of Rural Community Affairs who are serving
11 immediately before September 1, 2007, continue to serve as members
12 of the governing board of the office on and after that date
13 regardless of whether those members meet the membership
14 requirements prescribed by Subchapter B, Chapter 487, Government
15 Code, as amended by this Act. However, the positions of those nine
16 members are abolished on the date on which a majority of the 11
17 board membership positions that are created under Section 487.021,
18 Government Code, as amended by this Act, are filled and the
19 appointees qualify for office.

20 (b) The governor shall make the 10 appointments to the board
21 under Section 487.021, Government Code, as amended by this Act, as
22 soon as possible on or after September 1, 2007. In making the
23 initial appointments, the governor shall designate three members
24 for terms expiring February 1, 2009, three members for terms
25 expiring February 1, 2011, and four members for terms expiring
26 February 1, 2013. Any person who served as a member of the
27 executive committee before September 1, 2007, may be appointed to

1 the board.

2 SECTION 49. This Act takes effect immediately if it
3 receives a vote of two-thirds of all the members elected to each
4 house, as provided by Section 39, Article III, Texas Constitution.
5 If this Act does not receive the vote necessary for immediate
6 effect, this Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 2542⁽¹⁾ was passed by the House on

May 7⁽²⁾, 2007, by the following vote:

Yeas 145⁽³⁾, Nays 0⁽⁴⁾, 1 present, not voting;

that the House refused to concur in Senate amendments to H.B. No. 2542⁽⁵⁾ on May 24, 2007, and requested the

appointment of a conference committee to consider the differences

between the two houses; and that the House adopted the conference

committee report on H.B. No. 2542⁽⁶⁾ on May 27, 2007, by

the following vote: Yeas 147⁽⁷⁾, Nays 0⁽⁸⁾, 2 present, not voting.

Chief Clerk of the House

**** Preparation: CT43

I certify that H.B. No. 2542⁽¹⁾ was passed by the Senate, with

amendments, on May 21⁽²⁾, 2007, by the following

vote: Yeas 30⁽³⁾, Nays 1⁽⁴⁾;

at the request of the House, the Senate appointed a conference

committee to consider the differences between the two houses;

and that the Senate adopted the conference committee report on

H.B. No. 2542⁽⁵⁾ on May 26, 2007, by the following vote:

Yeas 30⁽⁶⁾, Nays 0⁽⁷⁾.

Secretary of the Senate

APPROVED:

Date

Governor

**** Preparation: CT44

LEGISLATIVE BUDGET BOARD**Austin, Texas****FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION****May 26, 2007**

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2542 by Kolkhorst (Relating to the continuation and functions of the Office of Rural Community Affairs.), **Conference Committee Report**

No significant fiscal implication to the State is anticipated.

The bill would amend Government Code to continue the Office of Rural Community Affairs (ORCA) for six years. The bill would modify the executive committee from a committee made up of nine members to a board with 11 members. The bill would narrow ORCA's powers and duties to include assisting rural communities in the key areas of economic development, community development, rural health, and rural housing; serve as a clearinghouse for information and resources on all state and federal programs affecting rural communities; identify and prioritize policy issues and concerns affecting rural communities in the state; and make recommendations to the legislature to address the concerns affecting rural communities. The bill would authorize ORCA to collocate its field staff in the Department of Agriculture's offices and work in conjunction with the Department of Agriculture to regularly cross-train office employees regarding the programs administered and services provided by each agency to rural communities. The bill would require the board to review grant applications and approve grant and loan awards. The bill would require ORCA to work in consultation with the Department of Agriculture to evaluate and streamline the administration of the rural Community Development Block Grant (CDBG) program.

Based on information provided by ORCA, the Department of Agriculture, and the Sunset Advisory Commission, it is assumed that any additional costs related to the duties and responsibilities associated with implementing the provisions of the bill could be covered by utilizing existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 357 Office of Rural Community Affairs, 551 Department of Agriculture

LBB Staff: JOB, MN, WK, AH

ADOPTED

MAY 21 2007

Atay Spaw
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: Brinner/Estes

- 1 Amend HB 2542 on page 1, line 20, by striking "2015" and
- 2 substituting "2011".

ADOPTED

MAY 21 2007

FLOOR AMENDMENT NO. 2

Letay Shaw
Secretary of the Senate

BY: *Ester*

1 Amend H.B. No. 2542 (senate committee printing) as follows:

2 (1) In SECTION 3 of the bill, strike amended Subdivisions
3 (2) and (3), Subsection (b), Section 487.021, Government Code (page
4 1, lines 36 through 47), and substitute the following:

5 (2) three public members appointed by the ~~[lieutenant]~~
6 governor from a list of nominees submitted by the lieutenant
7 governor; [and]

8 (3) three public members appointed by the governor
9 from a list of nominees submitted by the speaker of the house of
10 representatives; and

11 (2) In SECTION 3 of the bill, strike added Subsection (b-1),
12 Section 487.021, Government Code (page 1, lines 50 and 51), and
13 substitute the following:

14 (b-1) The individuals nominated by the lieutenant governor
15 and the speaker of the house of representatives must reside in a
16 rural city or county and be interested in rural issues. In making
17 an appointment under Subsection (b)(2) or (3), the governor may
18 reject one or more of the nominees on a list submitted by the
19 lieutenant governor or the speaker of the house of representatives
20 and request a new list of different nominees.

ADOPTED

MAY 21 2007

Letay Spaul
Secretary of the Senate

FLOOR AMENDMENT NO. 3

BY:

Robert Duncan

1 Amend H.B. No. 2542 (senate committee printing), in SECTION 3
2 of the bill, by striking amended Subsection (g), Section 487.021,
3 Government Code (page 2, lines 8 through 11), and substituting the
4 following:

5 (g) The commissioner of agriculture or the commissioner's
6 designee shall serve as ~~[members of]~~ the ~~[executive committee~~
7 ~~annually shall elect a]~~ presiding officer ~~[from among the members]~~
8 of the board ~~[executive committee]~~.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 1. Amends Section 487.001(1), Government Code to change definition of the executive committee to mean the Board of the Office of Rural Community Affairs.

SECTION 2. Amends Section 487.002, Government Code. Provides for an eight year sunset date by changing the sunset date for the Office from 2007 to 2015.

SECTION 3.

Amends Section 487.021, Government Code to create an 11-member Board. Requires the 10 appointed members to reside in rural cities or counties. Specifies Board membership, as follows:

- four members appointed by the Governor representing different geographic regions of the state, including two locally elected officials or city or county employees and two public members;
 - three members appointed by the Lieutenant Governor, including one Senator and two public members;
 - three members appointed by the Speaker of the House, including one Representative and two public members; and
 - the Commissioner of Agriculture or designee.
- Makes conforming changes.

Specifies that the two members of the Board that are Legislative members are non-voting members.

SENATE VERSION

SECTION 1. Same as House version.

SECTION 2. Provides for a four year date, instead of the eight year date in the House version, by changing the sunset date to 2011. (Floor amendment #1 by Brimer)

SECTION 3.

Similar to the House version, except that the Senate version removes the direct appointment by the Lt. Governor and the Speaker of three members each, including a State Senator and Representative. Instead, the Senate version provides for the Governor to select three public members each from lists submitted by the Lt. Governor and the Speaker. Specifies that individuals nominated by the lieutenant governor and the speaker of the house of representatives reside in a rural city or county and be interested in rural issues. Specifies that the governor may reject one or more of the nominees on a list submitted by the lieutenant governor or the speaker of the house of representatives and request a new list of different nominees. (Floor amendment #2 by Estes)

No equivalent provision.

CONFERENCE

SECTION 1. Same as House version.

SECTION 2. Provides for a six year date by changing the sunset date to 2013.

SECTION 3. Same as Senate version.

Same as Senate version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

Makes the definition of “rural city or county” the same as the definition under the federal rural community development block grant program.

Specifies that a member of the board not serving as an additional duty of an office in state government serve for staggered six-year terms, with two or three member's terms expiring February 1 of each odd numbered year.

Specifies that a member of the legislature serves at the will of the appointing authority.

Requires the Governor to designate the presiding officer of the Board to serve in that capacity at the will of the governor.

Specifies that service on the board by a member of the legislature, the commissioner of agriculture, or an officer of a county or municipality is an additional duty of the person's office.

SECTION 4. Amends Sections 487.022(b) and (c), Government Code. Makes conforming changes relating to creation of a board in place of the executive committee.

SENATE VERSION

Same as House version.

Same as House version.

Same as House version.

Requires the Commissioner of Agriculture, or designee, to serve as the presiding officer of the board. (Floor amendment #3 by Duncan)

Same as House version.

SECTION 4. Same as House version.

CONFERENCE

Same as House version.

Conforming change for Senate amendment # 2.
Same as the House version, except with “three or four” member's terms expiring February 1 of each odd numbered year.

Conforming change for Senate amendment # 2.
Strikes provision to conform with removal of appointment of legislative members to the Board.

Same as House version.

Conforming change for Senate amendment # 2.
Deletes “a member of legislature” from the provision.

SECTION 4. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 5. Amends Sections 487.023 through 487.027, Government Code. Modifies board member training by providing more flexibility to provide training on the agency's programs, rules and budget, and laws relating to public information and open meetings. Makes conforming changes.

SECTION 6. Amends Section 487.029, Government Code. Makes conforming changes.

SECTION 7. Amends Section 487.030, Government Code. Modifies current requirements for maintaining information on complaints with less prescriptive language.

SECTION 8. Amends Subchapter B, Chapter 487, Government Code, adding Sections 487.031 and 487.032. Requires the Office to make effective use of technology in delivery of services and provision of information to the public. Requires the Office to develop a policy that encourages the use of negotiated rulemaking and alternative dispute resolution.

SENATE VERSION

SECTION 5. Same as House version.

SECTION 6. Same as House version.

SECTION 7. Same as House version.

SECTION 8. Same as House version.

CONFERENCE

SECTION 5. Same as House version.

SECTION 6. Same as House version.

SECTION 7. Same as House version.

SECTION 8. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 9. Amends Section 487.051, Government Code. Requires the Office to assist rural communities with economic development, community development, rural health, and rural housing. Requires the Office to serve as a clearinghouse for information on rural programs and services. Requires Office to consult with rural leaders to identify and prioritize policy issues affecting rural communities. Requires Office to make recommendations to the legislature to address identified rural concerns. Requires the Office, in conjunction with the Texas Department of Agriculture, to cross-train staff on respective rural programs and services. Permits the Office to collocate its field staff in the Texas Department of Agriculture's offices.

SECTION 10. Amends Section 487.052, Government Code. Makes conforming changes.

SECTION 11. Amends Section 487.053(b), Government Code. Makes conforming changes.

SECTION 12. Amends Section 487.054(b), Government Code. Makes conforming changes.

SECTION 13. Amends Section 487.055, Government Code. Makes conforming changes.

SENATE VERSION

SECTION 9. Same as House version.

SECTION 10. Same as House version.

SECTION 11. Same as House version.

SECTION 12. Same as House version.

SECTION 13. Same as House version.

CONFERENCE

SECTION 9. Same as House version.

SECTION 10. Same as House version.

SECTION 11. Same as House version.

SECTION 12. Same as House version.

SECTION 13. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION	SENATE VERSION	CONFERENCE
SECTION 14. Amends Section 487.056, Government Code, adding Subsection (c). Requires the Office to include information on rural housing in its report to the Legislature.	SECTION 14. Same as House version.	SECTION 14. Same as House version.
SECTION 15. Amends Section 487.057(b), Government Code. Makes conforming changes and technical corrections.	SECTION 15. Same as House version.	SECTION 15. Same as House version.
SECTION 16. Amends Sections 487.059(b), (c), (e), (f), and (g), Government Code. Makes conforming changes.	SECTION 16. Same as House version.	SECTION 16. Same as House version.
SECTION 17. Amends Sections 487.103(a), (b), and (c), Government Code. Makes conforming changes.	SECTION 17. Same as House version.	SECTION 17. Same as House version.
SECTION 18. Amends Sections 487.104(b) and (d), Government Code. Makes conforming changes.	SECTION 18. Same as House version.	SECTION 18. Same as House version.
SECTION 19. Amends Section 487.107, Government Code. Makes conforming changes.	SECTION 19. Same as House version.	SECTION 19. Same as House version.
SECTION 20. Amends Section 487.108(a), Government Code. Makes conforming changes.	SECTION 20. Same as House version.	SECTION 20. Same as House version.
SECTION 21. Amends Sections 487.109(b), (c), and (d), Government Code. Makes conforming changes.	SECTION 21. Same as House version.	SECTION 21. Same as House version.
SECTION 22. Amends Section 487.112, Government Code. Makes conforming changes.	SECTION 22. Same as House version.	SECTION 22. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION	SENATE VERSION	CONFERENCE
SECTION 23. Amends Section 487.154, Government Code. Makes conforming changes.	SECTION 23. Same as House version.	SECTION 23. Same as House version.
SECTION 24. Amends Section 487.155(a), Government Code. Makes conforming changes.	SECTION 24. Same as House version.	SECTION 24. Same as House version.
SECTION 25. Amends Section 487.156(c), Government Code. Makes conforming changes.	SECTION 25. Same as House version.	SECTION 25. Same as House version.
SECTION 26. Amends Section 487.157(a), Government Code. Makes conforming changes.	SECTION 26. Same as House version.	SECTION 26. Same as House version.
SECTION 27. Amends Section 487.158(b), Government Code. Makes conforming changes.	SECTION 27. Same as House version.	SECTION 27. Same as House version.
SECTION 28. Amends Section 487.159(b), Government Code. Makes conforming changes.	SECTION 28. Same as House version.	SECTION 28. Same as House version.
SECTION 29. Amends Sections 487.161(b) and (c), Government Code. Makes conforming changes.	SECTION 29. Same as House version.	SECTION 29. Same as House version.
SECTION 30. Amends Section 487.163, Government Code. Makes conforming changes.	SECTION 30. Same as House version.	SECTION 30. Same as House version.
SECTION 31. Amends Sections 487.202, 487.203, and 487.204, Government Code. Makes conforming changes and technical corrections.	SECTION 31. Same as House version.	SECTION 31. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION	SENATE VERSION	CONFERENCE
SECTION 32. Amends Section 487.252, Government Code. Makes conforming changes.	SECTION 32. Same as House version.	SECTION 32. Same as House version.
SECTION 33. Amends Section 487.253(a), Government Code. Makes conforming changes.	SECTION 33. Same as House version.	SECTION 33. Same as House version.
SECTION 34. Amends Section 487.351, Government Code, adding (c). Requires the office to give priority to rural community development block grant eligible activities in the areas of economic development, community development, rural health, and rural housing to support workforce development.	SECTION 34. Same as House version.	SECTION 34. Same as House version.
SECTION 35. Amends Subchapter I, Chapter 487, Government Code, by adding Section 487.3515. Requires the Office, in consultation with the Texas Department of Agriculture, to evaluate and streamline administration of the rural community development block grant program. Specifies what the evaluation, at a minimum, must include. Requires the Office to implement non-statutory changes to the program no later than the next action plan, and to report to the 81st Legislature. Specifies that the section expires September 1, 2009.	SECTION 35. Same as House version.	SECTION 35. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION	SENATE VERSION	CONFERENCE
SECTION 36. Amends Section 487.353, Government Code, by amending Subsections (i) and (j) and adding Subsections (k) and (l). Requires the State Review Committee to review rural community development block grant applications and approve these grants. Specifies that the Board shall hear appeals of the Committee's scoring and funding decisions. Specifies that the Committee is a governmental body for purposes of the open meetings law, Chapter 551.	SECTION 36. Same as House version.	SECTION 36. Same as House version.
SECTION 37. Amends Section 487.401, Government Code. Makes conforming changes.	SECTION 37. Same as House version.	SECTION 37. Same as House version.
SECTION 38. Amends Section 487.451(1), Government Code. Makes conforming changes.	SECTION 38. Same as House version.	SECTION 38. Same as House version.
SECTION 39. Amends Section 487.452(a), Government Code. Makes conforming changes.	SECTION 39. Same as House version.	SECTION 39. Same as House version.
SECTION 40. Amends Section 487.454, Government Code. Makes conforming changes.	SECTION 40. Same as House version.	SECTION 40. Same as House version.
SECTION 41. Amends Section 487.553, Government Code. Makes a conforming change.	SECTION 41. Same as House version.	SECTION 41. Same as House version.
SECTION 42. Amends Section 487.554(a), Government Code. Makes conforming changes.	SECTION 42. Same as House version.	SECTION 42. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION	SENATE VERSION	CONFERENCE
SECTION 43. Amends Section 487.555(e), Government Code. Makes conforming changes.	SECTION 43. Same as House version.	SECTION 43. Same as House version.
SECTION 44. Amends Section 487.556, Government Code. Makes conforming changes.	SECTION 44. Same as House version.	SECTION 44. Same as House version.
SECTION 45. Amends Section 487.608(a), Government Code. Makes conforming changes and a technical correction.	SECTION 45. Same as House version.	SECTION 45. Same as House version.
SECTION 46. Amends Section 110.003(a), Health and Safety Code. Makes a conforming change.	SECTION 46. Same as House version.	SECTION 46. Same as House version.
SECTION 47. Amends Section 110.010, Health and Safety Code. Makes a conforming change.	SECTION 47. Same as House version.	SECTION 47. Same as House version.
SECTION 48. Adds instructional provision specifying the expiration of terms for current executive committee members.	SECTION 48. Same as House version.	SECTION 48. Same as House version.
Adds instructional provision specifying staggered terms for new appointments by the governor, lieutenant governor, and speaker.	Same as House version.	Conforming change for Senate amendment # 2. Deletes "lieutenant governor and speaker" and adjusts the staggering of terms to reflect the removal of legislative members from the board.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 49. Specifies that the Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house. If the Act does not receive the vote necessary for immediate effect, the Act takes effect September 1, 2007.

SENATE VERSION

SECTION 49. Same as House version.

CONFERENCE

SECTION 49. Same as House version.

LEGISLATIVE BUDGET BOARD**Austin, Texas****FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION****May 26, 2007**

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2542 by Kolkhorst (Relating to the continuation and functions of the Office of Rural Community Affairs.), **Conference Committee Report**

No significant fiscal implication to the State is anticipated.

The bill would amend Government Code to continue the Office of Rural Community Affairs (ORCA) for six years. The bill would modify the executive committee from a committee made up of nine members to a board with 11 members. The bill would narrow ORCA's powers and duties to include assisting rural communities in the key areas of economic development, community development, rural health, and rural housing; serve as a clearinghouse for information and resources on all state and federal programs affecting rural communities; identify and prioritize policy issues and concerns affecting rural communities in the state; and make recommendations to the legislature to address the concerns affecting rural communities. The bill would authorize ORCA to collocate its field staff in the Department of Agriculture's offices and work in conjunction with the Department of Agriculture to regularly cross-train office employees regarding the programs administered and services provided by each agency to rural communities. The bill would require the board to review grant applications and approve grant and loan awards. The bill would require ORCA to work in consultation with the Department of Agriculture to evaluate and streamline the administration of the rural Community Development Block Grant (CDBG) program.

Based on information provided by ORCA, the Department of Agriculture, and the Sunset Advisory Commission, it is assumed that any additional costs related to the duties and responsibilities associated with implementing the provisions of the bill could be covered by utilizing existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise, the bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 357 Office of Rural Community Affairs, 551 Department of Agriculture

LBB Staff: JOB, MN, WK, AH

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

5-25-07

ADOPTED

by a RV of

Date

Honorable David Dewhurst
President of the Senate

MAY 27 2007

Robert Haney
Chief Clerk
House of Representatives

Honorable Tom Craddick
Speaker of the House of Representatives

141V 0 N
2 PNV

HOUSE OF REPRESENTATIVES

07 MAY 26 PM 12:34

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HB 2542 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Estes - Chair

Hegar

Hindosa

Jackson

Nichols On the part of the Senate

Kalkhorst - Chair

Pycock

R. Cook

Hardcastle

Heflin On the part of the House

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

H.B. No. 2542

A BILL TO BE ENTITLED

AN ACT

relating to the continuation and functions of the Office of Rural Community Affairs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 487.001(1), Government Code, is amended to read as follows:

(1) "Board" [~~"Executive committee"~~] means the board [~~executive committee~~] of the Office of Rural Community Affairs.

SECTION 2. Section 487.002, Government Code, is amended to read as follows:

Sec. 487.002. SUNSET PROVISION. The Office of Rural Community Affairs is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the office is abolished and this chapter expires September 1, 2013 [2007].

SECTION 3. Section 487.021, Government Code, is amended to read as follows:

Sec. 487.021. BOARD [~~EXECUTIVE COMMITTEE~~]. (a) The board [~~executive committee~~] is the governing body of the office.

(b) The board [~~executive committee~~] is composed of the following 11 [~~nine~~] members:

(1) four [~~three~~] members who represent different geographic regions of the state appointed by the governor, including:

1 (A) two locally elected rural city or county
2 officials or city or county employees involved with rural
3 development; and

4 (B) two public members each of whom resides in a
5 rural city or county;

6 (2) three public members appointed by the [lieutenant]
7 governor from a list of nominees submitted by the lieutenant
8 governor; [and]

9 (3) three public members appointed by the governor
10 from a list of nominees submitted by the speaker of the house of
11 representatives; and

12 (4) the commissioner of agriculture or the
13 commissioner's designee.

14 (b-1) The individuals nominated by the lieutenant governor
15 and the speaker of the house of representatives must reside in a
16 rural city or county and be interested in rural issues. In making
17 an appointment under Subsection (b)(2) or (3), the governor may
18 reject one or more of the nominees on a list submitted by the
19 lieutenant governor or the speaker of the house of representatives
20 and request a new list of different nominees.

21 (c) In this section, "rural city or county" means a rural
22 city or county as defined by the federal community development
23 block grant nonentitlement program. [The governor, the lieutenant
24 governor, and the speaker of the house of representatives shall
25 each appoint at least two members who possess a strong
26 understanding of and commitment to rural interests based on the
27 individual's personal history, including residency, occupation,

1 ~~and business or civic activities.]~~

2 (d) Appointments to the board ~~[executive committee]~~ shall
3 be made without regard to the race, color, disability, sex,
4 religion, age, or national origin of the appointees.

5 (e) The members of the board who are not serving as an
6 additional duty of an office in state government ~~[executive~~
7 ~~committee]~~ serve for staggered six-year terms, with the terms of
8 three or four members expiring February 1 of each odd-numbered
9 year.

10 (f) Board ~~[Executive committee]~~ members receive no
11 compensation but are entitled to reimbursement of actual and
12 necessary expenses incurred in the performance of their duties.

13 (g) The governor shall designate a member ~~[The members]~~ of
14 the board as the ~~[executive committee annually shall elect a]~~
15 presiding officer ~~[from among the members]~~ of the board to serve in
16 that capacity at the will of the governor ~~[executive committee]~~.

17 (h) Service on the board by the commissioner of agriculture
18 or an officer of a county or municipality is an additional duty of
19 the individual's office.

20 SECTION 4. Sections 487.022(b) and (c), Government Code,
21 are amended to read as follows:

22 (b) A person may not be a member of the board ~~[executive~~
23 ~~committee]~~ and may not be an office employee employed in a "bona
24 fide executive, administrative, or professional capacity," as that
25 phrase is used for purposes of establishing an exemption to the
26 overtime provisions of the federal Fair Labor Standards Act of 1938
27 (29 U.S.C. Section 201 et seq.) and its subsequent amendments, if:

1 (1) the person is an officer, employee, or paid
2 consultant of a Texas trade association in the field of rural
3 affairs; or

4 (2) the person's spouse is an officer, manager, or paid
5 consultant of a Texas trade association in the field of rural
6 affairs.

7 (c) A person may not be a member of the board [~~executive~~
8 ~~committee~~] or act as the general counsel to the board [~~executive~~
9 ~~committee~~] or the office if the person is required to register as a
10 lobbyist under Chapter 305 because of the person's activities for
11 compensation on behalf of a profession related to the operation of
12 the office.

13 SECTION 5. Sections 487.023 through 487.027, Government
14 Code, are amended to read as follows:

15 Sec. 487.023. TRAINING FOR MEMBERS OF BOARD [~~EXECUTIVE~~
16 ~~COMMITTEE~~]. (a) A person who is appointed to and qualifies for
17 office as a member of the board [~~executive committee~~] may not vote,
18 deliberate, or be counted as a member in attendance at a meeting of
19 the board [~~executive committee~~] until the person completes a
20 training program that complies with this section.

21 (b) The training program must provide the person with
22 information regarding:

23 (1) the legislation that created the office [~~and the~~
24 ~~executive committee~~];

25 (2) the programs, [~~operated by the office,~~

26 ~~[(3) the role and]~~ functions, [~~of the office,~~

27 ~~[(4) the]~~ rules, [~~of the office, with an emphasis on~~

~~any rules that relate to disciplinary~~ and ~~[investigatory authority,~~

~~[(5) the current]~~ budget of ~~[for]~~ the office;

(3) ~~[(6)]~~ the results of the most recent formal audit of the office;

(4) ~~[(7)]~~ the requirements of laws relating to ~~+~~

~~[(A) the]~~ open meetings ~~[law]~~, ~~[Chapter 551,~~

~~[(B) the]~~ public information ~~[law]~~, ~~[Chapter~~

~~552,~~

~~[(C) the]~~ administrative procedure ~~[law]~~,

~~[Chapter 2001,~~] and conflicts of interest

~~[(D) other laws relating to public officials,~~

~~including conflict-of-interest laws];~~ and

(5) ~~[(8)]~~ any applicable ethics policies adopted by the office ~~[executive committee]~~ or the Texas Ethics Commission.

(c) A person appointed to the board ~~[executive committee]~~ is entitled to reimbursement, as provided by ~~[general law and]~~ the General Appropriations Act, for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

Sec. 487.024. REMOVAL. (a) It is a ground for removal from the board ~~[executive committee]~~ that a member:

(1) does not have at the time of taking office the qualifications required by Section 487.021;

(2) does not maintain during service on the board ~~[executive committee]~~ the qualifications required by Section

1 487.021;

2 (3) is ineligible for membership under Section
3 487.022;

4 (4) cannot, because of illness or disability,
5 discharge the member's duties for a substantial part of the member's
6 term; or

7 (5) is absent from more than half of the regularly
8 scheduled board [~~executive committee~~] meetings that the member is
9 eligible to attend during a calendar year without an excuse
10 approved by a majority vote of the board [~~executive committee~~].

11 (b) The validity of an action of the board [~~executive~~
12 ~~committee~~] is not affected by the fact that it is taken when a
13 ground for removal of a board [~~an executive committee~~] member
14 exists.

15 (c) If the executive director has knowledge that a potential
16 ground for removal exists, the executive director shall notify the
17 presiding officer of the board [~~executive committee~~] of the
18 potential ground. The presiding officer shall then notify the
19 appointing authority [~~governor~~] and the attorney general that a
20 potential ground for removal exists. If the potential ground for
21 removal involves the presiding officer, the executive director
22 shall notify the next highest ranking officer of the board
23 [~~executive committee~~], who shall then notify the appointing
24 authority [~~governor~~] and the attorney general that a potential
25 ground for removal exists.

26 Sec. 487.025. DIVISION OF RESPONSIBILITY. The board
27 [~~executive committee~~] shall develop and implement policies that

1 clearly separate the policy-making responsibilities of the board
2 [~~executive committee~~] and the management responsibilities of the
3 executive director and staff of the office.

4 Sec. 487.026. EXECUTIVE DIRECTOR. (a) The board
5 [~~executive committee~~] may hire an executive director to serve as
6 the chief executive officer of the office and to perform the
7 administrative duties of the office.

8 (b) The executive director serves at the will of the board
9 [~~executive committee~~].

10 (c) The executive director may hire staff within guidelines
11 established by the board [~~executive committee~~].

12 Sec. 487.027. PUBLIC HEARINGS. The board [~~executive~~
13 ~~committee~~] shall develop and implement policies that provide the
14 public with a reasonable opportunity to appear before the board
15 [~~executive committee~~] and to speak on any issue under the
16 jurisdiction of the office.

17 SECTION 6. Section 487.029, Government Code, is amended to
18 read as follows:

19 Sec. 487.029. STANDARDS OF CONDUCT. The executive director
20 or the executive director's designee shall provide to members of
21 the board [~~executive committee~~] and to agency employees, as often
22 as necessary, information regarding the requirements for office or
23 employment under this chapter, including information regarding a
24 person's responsibilities under applicable laws relating to
25 standards of conduct for state officers or employees.

26 SECTION 7. Section 487.030, Government Code, is amended to
27 read as follows:

1 Sec. 487.030. COMPLAINTS. (a) The office shall maintain a
2 system to promptly and efficiently act on complaints [~~file on each~~
3 ~~written complaint~~] filed with the office. The office shall
4 maintain information about parties to the complaint, the subject
5 matter of the complaint, a summary of the results of the review or
6 investigation of the complaint, and its disposition [~~The file must~~
7 ~~include:~~

8 ~~[(1) the name of the person who filed the complaint,~~
9 ~~[(2) the date the complaint is received by the office,~~
10 ~~[(3) the subject matter of the complaint,~~
11 ~~[(4) the name of each person contacted in relation to~~
12 ~~the complaint,~~
13 ~~[(5) a summary of the results of the review or~~
14 ~~investigation of the complaint, and~~
15 ~~[(6) an explanation of the reason the file was closed,~~
16 ~~if the office closed the file without taking action other than to~~
17 ~~investigate the complaint].~~

18 (b) The office shall make information available describing
19 its [~~provide to the person filing the complaint and to each person~~
20 ~~who is a subject of the complaint a copy of the office's policies~~
21 ~~and~~] procedures for [~~relating to~~] complaint investigation and
22 resolution.

23 (c) The office[, ~~at least quarterly until final disposition~~
24 ~~of the complaint,~~] shall periodically notify the complaint parties
25 [~~person filing the complaint and each person who is a subject of the~~
26 ~~complaint~~] of the status of the complaint until final disposition
27 [~~investigation unless the notice would jeopardize an undercover~~

1 ~~investigation]~~.

2 SECTION 8. Subchapter B, Chapter 487, Government Code, is
3 amended by adding Sections 487.031 and 487.032 to read as follows:

4 Sec. 487.031. USE OF TECHNOLOGY. The board shall implement
5 a policy requiring the office to use appropriate technological
6 solutions to improve the office's ability to perform its functions.
7 The policy must ensure that the public is able to interact with the
8 office on the Internet.

9 Sec. 487.032. NEGOTIATED RULEMAKING AND ALTERNATIVE
10 DISPUTE RESOLUTION PROCEDURES. (a) The board shall develop and
11 implement a policy to encourage the use of:

12 (1) negotiated rulemaking procedures under Chapter
13 2008 for the adoption of office rules; and

14 (2) appropriate alternative dispute resolution
15 procedures under Chapter 2009 to assist in the resolution of
16 internal and external disputes under the office's jurisdiction.

17 (b) The office's procedures relating to alternative dispute
18 resolution must conform, to the extent possible, to any model
19 guidelines issued by the State Office of Administrative Hearings
20 for the use of alternative dispute resolution by state agencies.

21 (c) The board shall designate a trained person to:

22 (1) coordinate the implementation of the policy
23 adopted under Subsection (a);

24 (2) serve as a resource for any training needed to
25 implement the procedures for negotiated rulemaking or alternative
26 dispute resolution; and

27 (3) collect data concerning the effectiveness of those

1 procedures, as implemented by the office.

2 SECTION 9. Section 487.051, Government Code, is amended to
3 read as follows:

4 Sec. 487.051. POWERS AND DUTIES. (a) The office shall:

5 (1) assist rural communities in the key areas of
6 economic development, community development, rural health, and
7 rural housing [~~develop a rural policy for the state in consultation~~
8 ~~with local leaders representing all facets of rural community life,~~
9 ~~academic and industry experts, and state elected and appointed~~
10 ~~officials with interests in rural communities~~];

11 (2) serve as a clearinghouse for information and
12 resources on all state and federal programs affecting rural
13 communities [~~work with other state agencies and officials to~~
14 ~~improve the results and the cost-effectiveness of state programs~~
15 ~~affecting rural communities through coordination of efforts~~];

16 (3) in consultation with rural community leaders,
17 locally elected officials, state elected and appointed officials,
18 academic and industry experts, and the interagency work group
19 created under this chapter, identify and prioritize policy issues
20 and concerns affecting rural communities in the state [~~develop~~
21 ~~programs to improve the leadership capacity of rural community~~
22 ~~leaders~~];

23 (4) make recommendations to the legislature to address
24 the concerns affecting rural communities identified under
25 Subdivision (3);

26 (5) monitor developments that have a substantial
27 effect on rural Texas communities, especially actions of state

1 government, and compile an annual report describing and evaluating
2 the condition of rural communities;

3 (6) [~~(5)~~] administer the federal community
4 development block grant nonentitlement program;

5 (7) [~~(6)~~] administer programs supporting rural health
6 care as provided by this chapter;

7 (8) [~~(7)~~] perform research to determine the most
8 beneficial and cost-effective ways to improve the welfare of rural
9 communities;

10 (9) [~~(8)~~] ensure that the office qualifies as the
11 state's office of rural health for the purpose of receiving grants
12 from the Office of Rural Health Policy of the United States
13 Department of Health and Human Services under 42 U.S.C. Section
14 254r;

15 (10) [~~(9)~~] manage the state's Medicare rural hospital
16 flexibility program under 42 U.S.C. Section 1395i-4; [~~and~~]

17 (11) [~~(10)~~] seek state and federal money available for
18 economic development in rural areas for programs under this
19 chapter; and

20 (12) in conjunction with the Department of
21 Agriculture, regularly cross-train office employees with employees
22 of the Department of Agriculture regarding the programs
23 administered and services provided by each agency to rural
24 communities.

25 (b) The office may require office employees who work at
26 locations other than the central office to be based in Department of
27 Agriculture offices.

1 SECTION 10. Section 487.052, Government Code, is amended to
2 read as follows:

3 Sec. 487.052. RULES. The board [~~executive committee~~] may
4 adopt rules as necessary to implement this chapter.

5 SECTION 11. Section 487.053(b), Government Code, is amended
6 to read as follows:

7 (b) All gifts, grants, and donations must be accepted in an
8 open meeting by a majority of the voting members of the board
9 [~~executive committee~~] and reported in the public record of the
10 meeting with the name of the donor and purpose of the gift, grant,
11 or donation.

12 SECTION 12. Section 487.054(b), Government Code, is amended
13 to read as follows:

14 (b) The board [~~executive committee~~] shall call the annual
15 meeting. The board [~~executive committee~~] shall set the time and
16 date of the meeting after consulting with the agency heads listed in
17 Subsection (a).

18 SECTION 13. Section 487.055, Government Code, is amended to
19 read as follows:

20 Sec. 487.055. ADVISORY COMMITTEES. The board [~~executive~~
21 ~~committee~~] may appoint advisory committees as necessary to assist
22 the board [~~executive committee~~] in performing its duties. An
23 advisory committee may be composed of private citizens and
24 representatives from state and local governmental entities. A
25 state or local governmental entity shall appoint a representative
26 to an advisory committee at the request of the board [~~executive~~
27 ~~committee~~]. Chapter 2110 does not apply to an advisory committee

1 created under this section.

2 SECTION 14. Section 487.056, Government Code, is amended by
3 adding Subsection (c) to read as follows:

4 (c) The office shall obtain information on the availability
5 of housing in rural communities throughout the state for all income
6 levels. The office shall include the information, and the office's
7 assessment of the information, in the office's report to the
8 legislature.

9 SECTION 15. Section 487.057(b), Government Code, is amended
10 to read as follows:

11 (b) The office shall submit the rural health work plan to
12 the board [~~executive committee~~] for approval. The board [~~executive~~
13 ~~committee~~] shall approve the rural health work plan not later than
14 August 1 of each odd-numbered year.

15 SECTION 16. Sections 487.059(b), (c), (e), (f), and (g),
16 Government Code, are amended to read as follows:

17 (b) If a member of the board [~~executive committee~~] or a
18 [~~another~~] committee established under this chapter, including an
19 advisory committee, has a financial interest in an entity that
20 applies for a monetary award, the board or committee member shall,
21 before a vote on the monetary award, disclose the fact of the board
22 or committee member's financial interest. The board or committee
23 shall enter the disclosure into the minutes of the meeting at which
24 a vote on the monetary award is taken. The board or committee
25 member may not vote on or otherwise participate in a discussion or
26 any other activity that relates to awarding the monetary award. If
27 the board or committee member does not comply with this subsection,

1 the entity is not eligible for the monetary award.

2 (c) If the executive director or another office employee has
3 a financial interest in an entity that applies for a monetary award,
4 the executive director or employee:

5 (1) shall, as soon as possible, disclose to the board
6 ~~[executive committee]~~ the fact of the director's or employee's
7 financial interest;

8 (2) may not participate in staff evaluations regarding
9 the monetary award; and

10 (3) if the executive director or employee under office
11 procedures may ~~[has a]~~ vote, or make a recommendation concerning a
12 vote, on a matter that involves the monetary award:

13 (A) shall disclose the fact of the director's or
14 employee's financial interest before a vote on the monetary award,
15 which the board or committee shall enter into the minutes of the
16 meeting at which a vote on the monetary award is taken; and

17 (B) may not vote on or otherwise participate in a
18 discussion or any other activity that relates to awarding the
19 monetary award.

20 (e) Subsections (f) and (g) apply only to a member of the
21 board or a ~~[executive]~~ committee who is employed by:

22 (1) an entity that offers to enter into a contract with
23 the office; or

24 (2) an entity that is under common ownership or
25 governance with or otherwise affiliated with an entity that applies
26 for a monetary award or offers to enter into a contract with the
27 office.

(f) The board or ~~[executive]~~ committee member shall, before a vote on the monetary award or contract, disclose the fact of the member's employment by the entity. The board or ~~[executive]~~ committee shall enter the disclosure into the minutes of the meeting at which a vote on the monetary award or contract is taken. The board or ~~[executive]~~ committee member may not vote on or otherwise participate in a discussion or any other activity that relates to awarding the monetary award or contract.

(g) If the board or ~~[executive]~~ committee member does not comply with Subsection (f), the entity is not eligible to be awarded the monetary award or contract.

SECTION 17. Sections 487.103(a), (b), and (c), Government Code, are amended to read as follows:

(a) The selection committee shall advise the board ~~[executive committee]~~ on the progress of the program.

(b) The selection committee is composed of 12 members appointed by the board ~~[executive committee]~~.

(c) The board ~~[executive committee]~~ shall consider geographical representation in making appointments to the selection committee.

SECTION 18. Sections 487.104(b) and (d), Government Code, are amended to read as follows:

(b) The selection committee shall make selections based on criteria approved by the board ~~[executive committee]~~ and adopted as a rule of the office.

(d) The selection committee shall recommend to the board ~~[executive committee]~~ guidelines to be used by rural communities in

1 the selection of students for nomination and sponsorship as
2 outstanding rural scholars.

3 SECTION 19. Section 487.107, Government Code, is amended to
4 read as follows:

5 Sec. 487.107. AWARDING OF LOANS. (a) The selection
6 committee shall recommend to the board [~~executive committee~~]
7 guidelines for the awarding of forgivable loans to outstanding
8 rural scholars.

9 (b) The board [~~executive committee~~], acting on the advice of
10 the selection committee, shall award forgivable loans to
11 outstanding rural scholars based on the availability of money in
12 the fund.

13 (c) If in any year the fund is inadequate to provide loans to
14 all eligible applicants, the board [~~executive committee~~] shall
15 award forgivable loans on a priority basis according to the
16 applicants' academic performance, test scores, and other criteria
17 of eligibility.

18 SECTION 20. Section 487.108(a), Government Code, is amended
19 to read as follows:

20 (a) On confirmation of an outstanding rural scholar's
21 admission to a postsecondary educational institution, or on receipt
22 of an enrollment report of the scholar at a postsecondary
23 educational institution, and a certification of the amount of
24 financial support needed, the selection committee annually shall
25 recommend to the board [~~executive committee~~] that the board
26 [~~committee~~] award a forgivable loan to the scholar in the amount of
27 50 percent of the cost of the scholar's tuition, fees, educational

1 materials, and living expenses.

2 SECTION 21. Sections 487.109(b), (c), and (d), Government
3 Code, are amended to read as follows:

4 (b) The sponsoring community shall report to the board
5 ~~[executive committee]~~ the length of time the scholar practices as a
6 health care professional in the community.

7 (c) If the board ~~[executive committee]~~ finds that a
8 sponsoring community is not in need of the scholar's services and
9 that the community is willing to forgive repayment of the principal
10 balance and interest of the scholar's loan, the board ~~[executive~~
11 ~~committee]~~ by rule may provide for the principal balance and
12 interest of one year of the scholar's loan to be forgiven for each
13 year the scholar practices in another rural community in this
14 state.

15 (d) Any amount of loan principal or interest that is not
16 forgiven under this section shall be repaid to the office with
17 reasonable collection fees in a timely manner as provided by board
18 ~~[executive committee]~~ rule.

19 SECTION 22. Section 487.112, Government Code, is amended to
20 read as follows:

21 Sec. 487.112. ADOPTION AND DISTRIBUTION OF RULES. (a) The
22 board ~~[executive committee]~~ shall adopt reasonable rules to enforce
23 the requirements, conditions, and limitations under this
24 subchapter.

25 (b) The board ~~[executive committee]~~ shall set the rate of
26 interest charged on a forgivable loan under this subchapter.

27 (c) The board ~~[executive committee]~~ shall adopt rules

1 necessary to ensure compliance with the federal Civil Rights Act of
2 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
3 in admissions.

4 SECTION 23. Section 487.154, Government Code, is amended to
5 read as follows:

6 Sec. 487.154. LOANS. (a) The board [~~executive committee~~]
7 may award forgivable educational loans to eligible students under
8 this subchapter.

9 (b) The board [~~executive committee~~] may award forgivable
10 loans to eligible students based on the availability of money in the
11 fund.

12 (c) If in any year the fund is inadequate to provide loans to
13 all eligible students, the board [~~executive committee~~] may award
14 forgivable loans on a priority basis according to the students'
15 academic performance, test scores, and other criteria of
16 eligibility.

17 SECTION 24. Section 487.155(a), Government Code, is amended
18 to read as follows:

19 (a) To be eligible to receive a loan under this subchapter,
20 a student must:

21 (1) be sponsored by an eligible community;

22 (2) at the time of the application for the loan, be
23 enrolled in high school or enrolled or accepted for enrollment in a
24 postsecondary educational institution in this state;

25 (3) meet academic requirements as established by the
26 board [~~executive committee~~];

27 (4) plan to complete a health care professional degree

1 or certificate program;

2 (5) plan to practice as a health care professional in a
3 qualified area of the state; and

4 (6) meet other requirements as established by the
5 board [~~executive committee~~].

6 SECTION 25. Section 487.156(c), Government Code, is amended
7 to read as follows:

8 (c) The board [~~executive committee~~] shall determine the
9 percentage of educational expenses communities are required to
10 provide under this section.

11 SECTION 26. Section 487.157(a), Government Code, is amended
12 to read as follows:

13 (a) On confirmation of an eligible student's admission to a
14 postsecondary educational institution, or on receipt of an
15 enrollment report of the student at a postsecondary educational
16 institution, and certification of the amount of financial support
17 needed, the board [~~executive committee~~] may award a forgivable loan
18 to the student in the amount of not more than the cost of the
19 student's tuition, fees, educational materials, and living
20 expenses.

21 SECTION 27. Section 487.158(b), Government Code, is amended
22 to read as follows:

23 (b) The contract must provide that if the student does not
24 provide the required services to the community or provides those
25 services for less than the required time, the student is personally
26 liable to the state for:

27 (1) the total amount of assistance the student

1 receives from the office and the sponsoring community;

2 (2) interest on the total amount at a rate set by the
3 board [~~executive committee~~]; and

4 (3) the state's reasonable expenses incurred in
5 obtaining payment, including reasonable attorney's fees.

6 SECTION 28. Section 487.159(b), Government Code, is amended
7 to read as follows:

8 (b) If the board [~~executive committee~~] finds that a
9 sponsoring community is not in need of the student's services and
10 that the community is willing to forgive repayment of the principal
11 balance and interest of the student's loan, the board [~~executive~~
12 ~~committee~~] by rule may provide for the principal balance and
13 interest of the student's loan to be forgiven if the student
14 provides services in another qualified area in this state.

15 SECTION 29. Sections 487.161(b) and (c), Government Code,
16 are amended to read as follows:

17 (b) The sponsoring community shall report to the board
18 [~~executive committee~~] the length of time the student provides
19 health care services in the community in accordance with the
20 guidelines established by the board [~~executive committee~~].

21 (c) A postsecondary educational institution shall provide
22 to the board [~~executive committee~~] a copy of the academic
23 transcript of each student for whom the institution has received a
24 release that complies with state and federal open records laws and
25 that authorizes the provision of the transcript.

26 SECTION 30. Section 487.163, Government Code, is amended to
27 read as follows:

1 Sec. 487.163. ADOPTION OF RULES. (a) The board [~~executive~~
2 ~~committee~~] shall adopt reasonable rules to enforce the
3 requirements, conditions, and limitations of this subchapter.

4 (b) The board [~~executive committee~~] shall set the rate of
5 interest charged on a forgivable loan under this subchapter.

6 (c) The board [~~executive committee~~] shall adopt rules
7 necessary to ensure compliance with the federal Civil Rights Act of
8 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
9 in admissions.

10 SECTION 31. Sections 487.202, 487.203, and 487.204,
11 Government Code, are amended to read as follows:

12 Sec. 487.202. PROGRAM. (a) The board [~~executive~~
13 ~~committee~~] shall establish and administer a program under this
14 subchapter to increase the number of physicians providing primary
15 care in medically underserved communities.

16 (b) A medically underserved community may sponsor a
17 physician who has completed a primary care residency program and
18 has agreed to provide primary care in the community by contributing
19 start-up money for the physician and having that contribution
20 matched wholly or partly by state money appropriated to the office
21 [~~executive committee~~] for that purpose.

22 (c) A participating medically underserved community may
23 provide start-up money to an eligible physician over a two-year
24 period.

25 (d) The office [~~executive committee~~] may not pay more than
26 \$25,000 to a community in a fiscal year unless the board [~~executive~~
27 ~~committee~~] makes a specific finding of need by the community.

1 (e) The board [~~executive committee~~] shall establish
2 priorities so that the neediest communities eligible for assistance
3 under this subchapter are assured the receipt of a grant.

4 Sec. 487.203. ELIGIBILITY. To be eligible to receive money
5 from the office [~~executive committee~~], a medically underserved
6 community must:

- 7 (1) apply for the money; and
8 (2) provide evidence satisfactory to the board
9 [~~executive committee~~] that it has entered into an agreement with a
10 physician for the physician to provide primary care in the
11 community for at least two years.

12 Sec. 487.204. RULES. The board [~~executive committee~~] shall
13 adopt rules necessary for the administration of this subchapter,
14 including rules addressing:

- 15 (1) eligibility criteria for a medically underserved
16 community;
17 (2) eligibility criteria for a physician;
18 (3) minimum and maximum community contributions to the
19 start-up money for a physician to be matched with state money;
20 (4) conditions under which state money must be repaid
21 by a community or physician;
22 (5) procedures for disbursement of money by the office
23 [~~executive committee~~];
24 (6) the form and manner in which a community must make
25 its contribution to the start-up money; and
26 (7) the contents of an agreement to be entered into by
27 the parties, which must include at least:

1 (A) a credit check for an eligible physician; and
2 (B) community retention of interest in any
3 property, equipment, or durable goods for seven years.

4 SECTION 32. Section 487.252, Government Code, is amended to
5 read as follows:

6 Sec. 487.252. TEXAS HEALTH SERVICE CORPS PROGRAM. (a) The
7 board [~~executive committee~~] shall establish a program in the office
8 to assist communities in recruiting and retaining physicians to
9 practice in medically underserved areas.

10 (b) The board [~~executive committee~~] by rule shall
11 establish:

12 (1) eligibility criteria for applicants;
13 (2) stipend application procedures;
14 (3) guidelines relating to stipend amounts;
15 (4) procedures for evaluating stipend applications;
16 and

17 (5) a system of priorities relating to the:
18 (A) geographic areas covered;
19 (B) medical specialties eligible to receive
20 funding under the program; and
21 (C) level of stipend support.

22 SECTION 33. Section 487.253(a), Government Code, is amended
23 to read as follows:

24 (a) The board [~~executive committee~~] shall adopt rules
25 necessary to administer this subchapter, and the office shall
26 administer the program in accordance with those rules.

27 SECTION 34. Section 487.351, Government Code, is amended by

1 adding Subsection (c) to read as follows:

2 (c) The office shall give priority to eligible activities in
3 the areas of economic development, community development, rural
4 health, and rural housing to support workforce development in
5 awarding funding for community development block grant programs.

6 SECTION 35. Subchapter I, Chapter 487, Government Code, is
7 amended by adding Section 487.3515 to read as follows:

8 Sec. 487.3515. EVALUATION OF COMMUNITY DEVELOPMENT BLOCK
9 GRANT PROGRAM. (a) The office, in consultation with the Department
10 of Agriculture, shall review and evaluate the administration of the
11 state's allocation of federal funds under the community development
12 block grant nonentitlement program and, based on the results of the
13 evaluation, streamline administration of the program and program
14 requirements. The office shall, at a minimum, evaluate:

15 (1) combining program fund categories, within
16 allowable limits provided by state statute, the General
17 Appropriations Act, and federal law and regulations;

18 (2) simplifying the grant application and scoring
19 process; and

20 (3) regularly reviewing and closing out aged
21 contracts.

22 (b) The office shall implement program changes resulting
23 from the evaluation that do not require statutory changes as soon as
24 possible, but not later than the date the office publishes the next
25 community development block grant nonentitlement program action
26 plan.

27 (c) The office shall include the findings from the

1 evaluation, program changes resulting from the evaluation, and any
2 statutory changes needed to make additional changes in the agency's
3 biennial report to the 81st Legislature.

4 (d) This section expires September 1, 2009.

5 SECTION 36. Section 487.353, Government Code, is amended by
6 amending Subsections (i) and (j) and adding Subsections (k) and (l)
7 to read as follows:

8 (i) The committee shall:

9 (1) consult with and advise the executive director on
10 the administration and enforcement of the community development
11 block grant program; and

12 (2) in consultation with the executive director and
13 office staff, review and approve grant and loan [funding]
14 applications and associated funding awards of eligible counties and
15 municipalities and advise and assist the executive director
16 regarding the allocation of program funds to those applicants.

17 (j) The committee may annually recommend to the executive
18 director a formula for allocating funds to each geographic state
19 planning region established by the governor under Chapter 391,
20 Local Government Code. The formula must give preference to regions
21 according to the regions' needs.

22 (k) An applicant for a grant, loan, or award under a
23 community development block grant program may appeal a decision of
24 the committee by filing a complaint with the board. The board shall
25 hold a hearing on a complaint filed with the board under this
26 subsection and render a decision.

27 (l) The committee is a governmental body for purposes of the

1 open meetings law, Chapter 551.

2 SECTION 37. Section 487.401, Government Code, is amended to
3 read as follows:

4 Sec. 487.401. ADMINISTRATION. (a) The board [~~executive~~
5 ~~committee~~] shall adopt rules that establish a procedure for
6 designating a hospital as a rural hospital in order for the hospital
7 to qualify for federal funds under 42 C.F.R. Part 412.

8 (b) At the hospital's request, the office shall designate
9 the hospital as a rural hospital if the hospital meets the
10 requirements for a rural hospital under the board's [~~executive~~
11 ~~committee's~~] rules.

12 SECTION 38. Section 487.451(1), Government Code, is amended
13 to read as follows:

14 (1) "Health care professional" means:

- 15 (A) an advanced nurse practitioner;
- 16 (B) a dentist;
- 17 (C) a dental hygienist;
- 18 (D) a laboratory technician;
- 19 (E) a licensed vocational nurse;
- 20 (F) a licensed professional counselor;
- 21 (G) a medical radiological technologist;
- 22 (H) an occupational therapist;
- 23 (I) a pharmacist;
- 24 (J) a physical therapist;
- 25 (K) a physician;
- 26 (L) a physician assistant;
- 27 (M) a psychologist;

1 (N) a registered nurse;
2 (O) a social worker;
3 (P) a speech-language pathologist;
4 (Q) a veterinarian;
5 (R) a chiropractor; and
6 (S) another appropriate health care professional
7 identified by the board [~~executive committee~~].

8 SECTION 39. Section 487.452(a), Government Code, is amended
9 to read as follows:

10 (a) The board [~~executive committee~~], in collaboration with
11 Area Health Education Center Programs, shall establish a community
12 healthcare awareness and mentoring program for students to:

13 (1) identify high school students in rural and
14 underserved urban areas who are interested in serving those areas
15 as health care professionals;

16 (2) identify health care professionals in rural and
17 underserved urban areas to act as positive role models, mentors, or
18 reference resources for the interested high school students;

19 (3) introduce interested high school students to the
20 spectrum of professional health care careers through activities
21 such as health care camps and shadowing of health care
22 professionals;

23 (4) encourage a continued interest in service as
24 health care professionals in rural and underserved urban areas by
25 providing mentors and community resources for students
26 participating in training or educational programs to become health
27 care professionals; and

1 (5) provide continuing community-based support for
2 students during the period the students are attending training or
3 educational programs to become health care professionals,
4 including summer job opportunities and opportunities to mentor high
5 school students in the community.

6 SECTION 40. Section 487.454, Government Code, is amended to
7 read as follows:

8 Sec. 487.454. GRANTS; ELIGIBILITY. (a) Subject to
9 available funds, the board [~~executive committee~~] shall develop and
10 implement, as a component of the program, a grant program to support
11 employment opportunities in rural and underserved urban areas in
12 this state for students participating in training or educational
13 programs to become health care professionals.

14 (b) In awarding grants under the program, the board
15 [~~executive committee~~] shall give first priority to grants to
16 training or educational programs that provide internships to
17 students.

18 (c) To be eligible to receive a grant under the grant
19 program, a person must:

20 (1) apply for the grant on a form adopted by the board
21 [~~executive committee~~];

22 (2) be enrolled or intend to be enrolled in a training
23 or educational program to become a health care professional;

24 (3) commit to practice or work, after licensure as a
25 health care professional, for at least one year as a health care
26 professional in a rural or underserved urban area in this state; and

27 (4) comply fully with any practice or requirements

1 associated with any scholarship, loan, or other similar benefit
2 received by the student.

3 (d) As a condition of receiving a grant under the program
4 the student must agree to repay the amount of the grant, plus a
5 penalty in an amount established by rule of the board [~~executive~~
6 ~~committee~~] not to exceed two times the amount of the grant, if the
7 student becomes licensed as a health care professional and fails to
8 practice or work for at least one year as a health care professional
9 in a rural or underserved urban area in this state.

10 SECTION 41. Section 487.553, Government Code, is amended to
11 read as follows:

12 Sec. 487.553. LOAN REIMBURSEMENT PROGRAM. The board
13 [~~executive committee~~] shall establish a program in the office to
14 assist communities in recruiting health professionals to practice
15 in medically underserved communities by providing loan
16 reimbursement for health professionals who serve in those
17 communities.

18 SECTION 42. Section 487.554(a), Government Code, is amended
19 to read as follows:

20 (a) The board [~~executive committee~~] shall establish a
21 program in the office to assist communities in recruiting health
22 professionals to practice in medically underserved communities by
23 providing a stipend to health professionals who agree to serve in
24 those communities.

25 SECTION 43. Section 487.555(e), Government Code, is amended
26 to read as follows:

27 (e) A contract under this section must provide that a health

1 professional who does not provide the required services to the
2 community or provides those services for less than the required
3 time is personally liable to the state for:

4 (1) the total amount of assistance the health
5 professional received from the office and the medically underserved
6 community;

7 (2) interest on the amount under Subdivision (1) at a
8 rate set by the board [~~executive committee~~];

9 (3) the state's reasonable expenses incurred in
10 obtaining payment, including reasonable attorney's fees; and

11 (4) a penalty as established by the board [~~executive~~
12 ~~committee~~] by rule to help ensure compliance with the contract.

13 SECTION 44. Section 487.556, Government Code, is amended to
14 read as follows:

15 Sec. 487.556. POWERS AND DUTIES OF OFFICE. (a) The board
16 [~~executive committee~~] shall adopt rules necessary for the
17 administration of this subchapter, including guidelines for:

18 (1) developing contracts under which loan
19 reimbursement or stipend recipients provide services to qualifying
20 communities;

21 (2) identifying the duties of the state, state agency,
22 loan reimbursement or stipend recipient, and medically underserved
23 community under the loan reimbursement or stipend contract;

24 (3) determining a rate of interest to be charged under
25 Section 487.555(e)(2);

26 (4) ensuring that a loan reimbursement or stipend
27 recipient provides access to health services to participants in

1 government-funded health benefits programs in qualifying
2 communities;

3 (5) encouraging the use of telecommunications or
4 telemedicine, as appropriate;

5 (6) prioritizing the provision of loan reimbursements
6 and stipends to health professionals who are not eligible for any
7 other state loan forgiveness, loan repayment, or stipend program;

8 (7) prioritizing the provision of loan reimbursements
9 and stipends to health professionals who are graduates of health
10 professional degree programs in this state;

11 (8) encouraging a medically underserved community
12 served by a loan reimbursement or stipend recipient to contribute
13 to the cost of the loan reimbursement or stipend when making a
14 contribution is feasible; and

15 (9) requiring a medically underserved community
16 served by a loan reimbursement or stipend recipient to assist the
17 office in contracting with the loan reimbursement or stipend
18 recipient who will serve that community.

19 (b) The board [~~executive committee~~] by rule may designate
20 areas of the state as medically underserved communities.

21 (c) The board [~~executive committee~~] shall make reasonable
22 efforts to contract with health professionals from a variety of
23 different health professions.

24 SECTION 45. Section 487.608(a), Government Code, is amended
25 to read as follows:

26 (a) The rural physician relief advisory committee is
27 composed of the following members appointed by the board [~~executive~~

1 ~~committee~~]:

2 (1) a physician who practices in the area of general
3 family medicine in a rural county;

4 (2) a physician who practices in the area of general
5 internal medicine in a rural county;

6 (3) a physician who practices in the area of general
7 pediatrics in a rural county;

8 (4) a representative from an accredited Texas medical
9 school;

10 (5) a program director from an accredited primary care
11 residency program;

12 (6) a representative from the Texas Higher Education
13 Coordinating Board; and

14 (7) a representative from the Texas [~~State Board of~~]
15 Medical Board [~~Examiners~~].

16 SECTION 46. Section 110.003(a), Health and Safety Code, is
17 amended to read as follows:

18 (a) The Rural Foundation is governed by a board of five
19 directors appointed by the board [~~executive committee~~] of the
20 Office of Rural Community Affairs from individuals recommended by
21 the executive director of the Office of Rural Community Affairs.

22 SECTION 47. Section 110.010, Health and Safety Code, is
23 amended to read as follows:

24 Sec. 110.010. MEMORANDUM OF UNDERSTANDING. The Rural
25 Foundation and the Office of Rural Community Affairs shall enter
26 into a memorandum of understanding that:

27 (1) requires the board of directors and staff of the

1 foundation to report to the executive director and board [~~executive~~
2 ~~committee~~] of the Office of Rural Community Affairs;

3 (2) allows the Office of Rural Community Affairs to
4 provide staff functions to the foundation;

5 (3) allows the Office of Rural Community Affairs to
6 expend funds on the foundation; and

7 (4) outlines the financial contributions to be made to
8 the foundation from funds obtained from grants and other sources.

9 SECTION 48. (a) The nine members of the executive committee
10 of the Office of Rural Community Affairs who are serving
11 immediately before September 1, 2007, continue to serve as members
12 of the governing board of the office on and after that date
13 regardless of whether those members meet the membership
14 requirements prescribed by Subchapter B, Chapter 487, Government
15 Code, as amended by this Act. However, the positions of those nine
16 members are abolished on the date on which a majority of the 11
17 board membership positions that are created under Section 487.021,
18 Government Code, as amended by this Act, are filled and the
19 appointees qualify for office.

20 (b) The governor shall make the 10 appointments to the board
21 under Section 487.021, Government Code, as amended by this Act, as
22 soon as possible on or after September 1, 2007. In making the
23 initial appointments, the governor shall designate three members
24 for terms expiring February 1, 2009, three members for terms
25 expiring February 1, 2011, and four members for terms expiring
26 February 1, 2013. Any person who served as a member of the
27 executive committee before September 1, 2007, may be appointed to

1 the board.

2 SECTION 49. This Act takes effect immediately if it
3 receives a vote of two-thirds of all the members elected to each
4 house, as provided by Section 39, Article III, Texas Constitution.
5 If this Act does not receive the vote necessary for immediate
6 effect, this Act takes effect September 1, 2007.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 1. Amends Section 487.001(1), Government Code to change definition of the executive committee to mean the Board of the Office of Rural Community Affairs.

SECTION 2. Amends Section 487.002, Government Code. Provides for an eight year sunset date by changing the sunset date for the Office from 2007 to 2015.

SECTION 3.

Amends Section 487.021, Government Code to create an 11-member Board. Requires the 10 appointed members to reside in rural cities or counties. Specifies Board membership, as follows:

- four members appointed by the Governor representing different geographic regions of the state, including two locally elected officials or city or county employees and two public members;
- three members appointed by the Lieutenant Governor, including one Senator and two public members;
- three members appointed by the Speaker of the House, including one Representative and two public members;
- and
- the Commissioner of Agriculture or designee.

Makes conforming changes.

Specifies that the two members of the Board that are Legislative members are non-voting members.

SENATE VERSION

SECTION 1. Same as House version.

SECTION 2. Provides for a four year date, instead of the eight year date in the House version, by changing the sunset date to 2011. (Floor amendment #1 by Brimer)

SECTION 3.

Similar to the House version, except that the Senate version removes the direct appointment by the Lt. Governor and the Speaker of three members each, including a State Senator and Representative. Instead, the Senate version provides for the Governor to select three public members each from lists submitted by the Lt. Governor and the Speaker. Specifies that individuals nominated by the lieutenant governor and the speaker of the house of representatives reside in a rural city or county and be interested in rural issues. Specifies that the governor may reject one or more of the nominees on a list submitted by the lieutenant governor or the speaker of the house of representatives and request a new list of different nominees. (Floor amendment #2 by Estes)

No equivalent provision.

CONFERENCE

SECTION 1. Same as House version.

SECTION 2. Provides for a six year date by changing the sunset date to 2013.

SECTION 3. Same as Senate version.

Same as Senate version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

Makes the definition of “rural city or county” the same as the definition under the federal rural community development block grant program.

Specifies that a member of the board not serving as an additional duty of an office in state government serve for staggered six-year terms, with two or three member's terms expiring February 1 of each odd numbered year.

Specifies that a member of the legislature serves at the will of the appointing authority.

Requires the Governor to designate the presiding officer of the Board to serve in that capacity at the will of the governor.

Specifies that service on the board by a member of the legislature, the commissioner of agriculture, or an officer of a county or municipality is an additional duty of the person's office.

SECTION 4. Amends Sections 487.022(b) and (c), Government Code. Makes conforming changes relating to creation of a board in place of the executive committee.

SENATE VERSION

Same as House version.

Same as House version.

Same as House version.

Requires the Commissioner of Agriculture, or designee, to serve as the presiding officer of the board. (Floor amendment #3 by Duncan)

Same as House version.

SECTION 4. Same as House version.

CONFERENCE

Same as House version.

Conforming change for Senate amendment # 2.
Same as the House version, except with “three or four” member's terms expiring February 1 of each odd numbered year.

Conforming change for Senate amendment # 2.
Strikes provision to conform with removal of appointment of legislative members to the Board.

Same as House version.

Conforming change for Senate amendment # 2.
Deletes “a member of legislature” from the provision.

SECTION 4. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 5. Amends Sections 487.023 through 487.027, Government Code. Modifies board member training by providing more flexibility to provide training on the agency's programs, rules and budget, and laws relating to public information and open meetings. Makes conforming changes.

SECTION 6. Amends Section 487.029, Government Code. Makes conforming changes.

SECTION 7. Amends Section 487.030, Government Code. Modifies current requirements for maintaining information on complaints with less prescriptive language.

SECTION 8. Amends Subchapter B, Chapter 487, Government Code, adding Sections 487.031 and 487.032. Requires the Office to make effective use of technology in delivery of services and provision of information to the public. Requires the Office to develop a policy that encourages the use of negotiated rulemaking and alternative dispute resolution.

SENATE VERSION

SECTION 5. Same as House version.

SECTION 6. Same as House version.

SECTION 7. Same as House version.

SECTION 8. Same as House version.

CONFERENCE

SECTION 5. Same as House version.

SECTION 6. Same as House version.

SECTION 7. Same as House version.

SECTION 8. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 9. Amends Section 487.051, Government Code. Requires the Office to assist rural communities with economic development, community development, rural health, and rural housing. Requires the Office to serve as a clearinghouse for information on rural programs and services. Requires Office to consult with rural leaders to identify and prioritize policy issues affecting rural communities. Requires Office to make recommendations to the legislature to address identified rural concerns. Requires the Office, in conjunction with the Texas Department of Agriculture, to cross-train staff on respective rural programs and services. Permits the Office to collocate its field staff in the Texas Department of Agriculture's offices.

SECTION 10. Amends Section 487.052, Government Code. Makes conforming changes.

SECTION 11. Amends Section 487.053(b), Government Code. Makes conforming changes.

SECTION 12. Amends Section 487.054(b), Government Code. Makes conforming changes.

SECTION 13. Amends Section 487.055, Government Code. Makes conforming changes.

SENATE VERSION

SECTION 9. Same as House version.

SECTION 10. Same as House version.

SECTION 11. Same as House version.

SECTION 12. Same as House version.

SECTION 13. Same as House version.

CONFERENCE

SECTION 9. Same as House version.

SECTION 10. Same as House version.

SECTION 11. Same as House version.

SECTION 12. Same as House version.

SECTION 13. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION	SENATE VERSION	CONFERENCE
SECTION 14. Amends Section 487.056, Government Code, adding Subsection (c). Requires the Office to include information on rural housing in its report to the Legislature.	SECTION 14. Same as House version.	SECTION 14. Same as House version.
SECTION 15. Amends Section 487.057(b), Government Code. Makes conforming changes and technical corrections.	SECTION 15. Same as House version.	SECTION 15. Same as House version.
SECTION 16. Amends Sections 487.059(b), (c), (e), (f), and (g), Government Code. Makes conforming changes.	SECTION 16. Same as House version.	SECTION 16. Same as House version.
SECTION 17. Amends Sections 487.103(a), (b), and (c), Government Code. Makes conforming changes.	SECTION 17. Same as House version.	SECTION 17. Same as House version.
SECTION 18. Amends Sections 487.104(b) and (d), Government Code. Makes conforming changes.	SECTION 18. Same as House version.	SECTION 18. Same as House version.
SECTION 19. Amends Section 487.107, Government Code. Makes conforming changes.	SECTION 19. Same as House version.	SECTION 19. Same as House version.
SECTION 20. Amends Section 487.108(a), Government Code. Makes conforming changes.	SECTION 20. Same as House version.	SECTION 20. Same as House version.
SECTION 21. Amends Sections 487.109(b), (c), and (d), Government Code. Makes conforming changes.	SECTION 21. Same as House version.	SECTION 21. Same as House version.
SECTION 22. Amends Section 487.112, Government Code. Makes conforming changes.	SECTION 22. Same as House version.	SECTION 22. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION	SENATE VERSION	CONFERENCE
SECTION 23. Amends Section 487.154, Government Code. Makes conforming changes.	SECTION 23. Same as House version.	SECTION 23. Same as House version.
SECTION 24. Amends Section 487.155(a), Government Code. Makes conforming changes.	SECTION 24. Same as House version.	SECTION 24. Same as House version.
SECTION 25. Amends Section 487.156(c), Government Code. Makes conforming changes.	SECTION 25. Same as House version.	SECTION 25. Same as House version.
SECTION 26. Amends Section 487.157(a), Government Code. Makes conforming changes.	SECTION 26. Same as House version.	SECTION 26. Same as House version.
SECTION 27. Amends Section 487.158(b), Government Code. Makes conforming changes.	SECTION 27. Same as House version.	SECTION 27. Same as House version.
SECTION 28. Amends Section 487.159(b), Government Code. Makes conforming changes.	SECTION 28. Same as House version.	SECTION 28. Same as House version.
SECTION 29. Amends Sections 487.161(b) and (c), Government Code. Makes conforming changes.	SECTION 29. Same as House version.	SECTION 29. Same as House version.
SECTION 30. Amends Section 487.163, Government Code. Makes conforming changes.	SECTION 30. Same as House version.	SECTION 30. Same as House version.
SECTION 31. Amends Sections 487.202, 487.203, and 487.204, Government Code. Makes conforming changes and technical corrections.	SECTION 31. Same as House version.	SECTION 31. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 32. Amends Section 487.252, Government Code. Makes conforming changes.

SECTION 33. Amends Section 487.253(a), Government Code. Makes conforming changes.

SECTION 34. Amends Section 487.351, Government Code, adding (c). Requires the office to give priority to rural community development block grant eligible activities in the areas of economic development, community development, rural health, and rural housing to support workforce development.

SECTION 35. Amends Subchapter I, Chapter 487, Government Code, by adding Section 487.3515. Requires the Office, in consultation with the Texas Department of Agriculture, to evaluate and streamline administration of the rural community development block grant program. Specifies what the evaluation, at a minimum, must include. Requires the Office to implement non-statutory changes to the program no later than the next action plan, and to report to the 81st Legislature. Specifies that the section expires September 1, 2009.

SENATE VERSION

SECTION 32. Same as House version.

SECTION 33. Same as House version.

SECTION 34. Same as House version.

SECTION 35. Same as House version.

CONFERENCE

SECTION 32. Same as House version.

SECTION 33. Same as House version.

SECTION 34. Same as House version.

SECTION 35. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 36. Amends Section 487.353, Government Code, by amending Subsections (i) and (j) and adding Subsections (k) and (l). Requires the State Review Committee to review rural community development block grant applications and approve these grants. Specifies that the Board shall hear appeals of the Committee's scoring and funding decisions. Specifies that the Committee is a governmental body for purposes of the open meetings law, Chapter 551.

SECTION 37. Amends Section 487.401, Government Code. Makes conforming changes.

SECTION 38. Amends Section 487.451(1), Government Code. Makes conforming changes.

SECTION 39. Amends Section 487.452(a), Government Code. Makes conforming changes.

SECTION 40. Amends Section 487.454, Government Code. Makes conforming changes.

SECTION 41. Amends Section 487.553, Government Code. Makes a conforming change.

SECTION 42. Amends Section 487.554(a), Government Code. Makes conforming changes.

SENATE VERSION

SECTION 36. Same as House version.

SECTION 37. Same as House version.

SECTION 38. Same as House version.

SECTION 39. Same as House version.

SECTION 40. Same as House version.

SECTION 41. Same as House version.

SECTION 42. Same as House version.

CONFERENCE

SECTION 36. Same as House version.

SECTION 37. Same as House version.

SECTION 38. Same as House version.

SECTION 39. Same as House version.

SECTION 40. Same as House version.

SECTION 41. Same as House version.

SECTION 42. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION	SENATE VERSION	CONFERENCE
SECTION 43. Amends Section 487.555(e), Government Code. Makes conforming changes.	SECTION 43. Same as House version.	SECTION 43. Same as House version.
SECTION 44. Amends Section 487.556, Government Code. Makes conforming changes.	SECTION 44. Same as House version.	SECTION 44. Same as House version.
SECTION 45. Amends Section 487.608(a), Government Code. Makes conforming changes and a technical correction.	SECTION 45. Same as House version.	SECTION 45. Same as House version.
SECTION 46. Amends Section 110.003(a), Health and Safety Code. Makes a conforming change.	SECTION 46. Same as House version.	SECTION 46. Same as House version.
SECTION 47. Amends Section 110.010, Health and Safety Code. Makes a conforming change.	SECTION 47. Same as House version.	SECTION 47. Same as House version.
SECTION 48. Adds instructional provision specifying the expiration of terms for current executive committee members.	SECTION 48. Same as House version.	SECTION 48. Same as House version.
Adds instructional provision specifying staggered terms for new appointments by the governor, lieutenant governor, and speaker.	Same as House version.	Conforming change for Senate amendment # 2. Deletes "lieutenant governor and speaker" and adjusts the staggering of terms to reflect the removal of legislative members from the board.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 49. Specifies that the Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house. If the Act does not receive the vote necessary for immediate effect, the Act takes effect September 1, 2007.

SENATE VERSION

SECTION 49. Same as House version.

CONFERENCE

SECTION 49. Same as House version.

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

5-25-07

Date

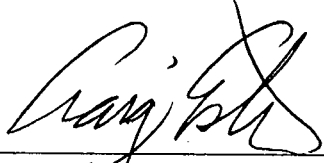
Honorable David Dewhurst
President of the Senate

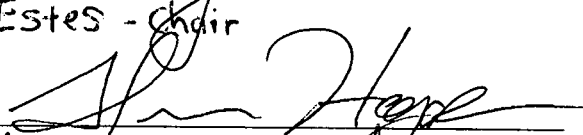
Honorable Tom Craddick
Speaker of the House of Representatives

07 MAY 26 PM 12:34
HOUSE OF REPRESENTATIVES

Sirs:


We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HB 2542 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.



Estes - Chair

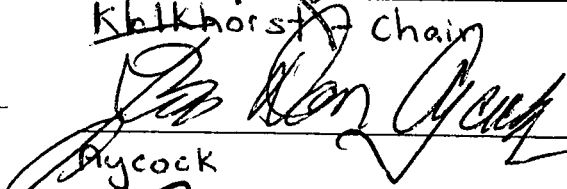

Hegar


Hinojosa



Jackson

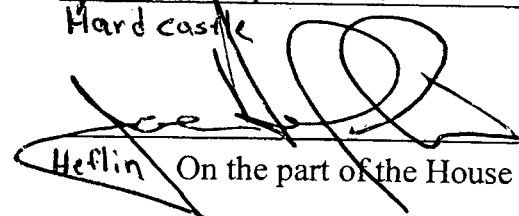

Nichols On the part of the Senate


Kalkhorst - Chair


Aycock


R. Cook


Hardcastle


Heflin On the part of the House

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

3rd Printing

H.B. No. 2542

A BILL TO BE ENTITLED

AN ACT

relating to the continuation and functions of the Office of Rural
Community Affairs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 487.001(1), Government Code, is amended
to read as follows:

(1) "Board" [~~"Executive committee"~~] means the board
[~~executive committee~~] of the Office of Rural Community Affairs.

SECTION 2. Section 487.002, Government Code, is amended to
read as follows:

Sec. 487.002. SUNSET PROVISION. The Office of Rural
Community Affairs is subject to Chapter 325 (Texas Sunset Act).
Unless continued in existence as provided by that chapter, the
office is abolished and this chapter expires September 1, 2013
[2007].

SECTION 3. Section 487.021, Government Code, is amended to
read as follows:

Sec. 487.021. BOARD [~~EXECUTIVE COMMITTEE~~]. (a) The board
[~~executive committee~~] is the governing body of the office.

(b) The board [~~executive committee~~] is composed of the
following 11 [~~nine~~] members:

(1) four [~~three~~] members who represent different
geographic regions of the state appointed by the governor,
including:

1 (A) two locally elected rural city or county
2 officials or city or county employees involved with rural
3 development; and

4 (B) two public members each of whom resides in a
5 rural city or county;

6 (2) three public members appointed by the ~~lieutenant~~
7 governor from a list of nominees submitted by the lieutenant
8 governor; ~~and~~

9 (3) three public members appointed by the governor
10 from a list of nominees submitted by the speaker of the house of
11 representatives; and

12 (4) the commissioner of agriculture or the
13 commissioner's designee.

14 (b-1) The individuals nominated by the lieutenant governor
15 and the speaker of the house of representatives must reside in a
16 rural city or county and be interested in rural issues. In making
17 an appointment under Subsection (b)(2) or (3), the governor may
18 reject one or more of the nominees on a list submitted by the
19 lieutenant governor or the speaker of the house of representatives
20 and request a new list of different nominees.

21 (c) In this section, "rural city or county" means a rural
22 city or county as defined by the federal community development
23 block grant nonentitlement program. ~~[The governor, the lieutenant~~
24 ~~governor, and the speaker of the house of representatives shall~~
25 ~~each appoint at least two members who possess a strong~~
26 ~~understanding of and commitment to rural interests based on the~~
27 ~~individual's personal history, including residency, occupation,~~

1 ~~and business or civic activities.]~~

2 (d) Appointments to the board ~~[executive committee]~~ shall
3 be made without regard to the race, color, disability, sex,
4 religion, age, or national origin of the appointees.

5 (e) The members of the board who are not serving as an
6 additional duty of an office in state government ~~[executive~~
7 ~~committee]~~ serve for staggered six-year terms, with the terms of
8 three or four members expiring February 1 of each odd-numbered
9 year.

10 (f) Board ~~[Executive committee]~~ members receive no
11 compensation but are entitled to reimbursement of actual and
12 necessary expenses incurred in the performance of their duties.

13 (g) The governor shall designate a member ~~[The members]~~ of
14 the board as the ~~[executive committee annually shall elect a]~~
15 presiding officer ~~[from among the members]~~ of the board to serve in
16 that capacity at the will of the governor ~~[executive committee]~~.

17 (h) Service on the board by the commissioner of agriculture
18 or an officer of a county or municipality is an additional duty of
19 the individual's office.

20 SECTION 4. Sections 487.022(b) and (c), Government Code,
21 are amended to read as follows:

22 (b) A person may not be a member of the board ~~[executive~~
23 ~~committee]~~ and may not be an office employee employed in a "bona
24 fide executive, administrative, or professional capacity," as that
25 phrase is used for purposes of establishing an exemption to the
26 overtime provisions of the federal Fair Labor Standards Act of 1938
27 (29 U.S.C. Section 201 et seq.) and its subsequent amendments, if:

1 (1) the person is an officer, employee, or paid
2 consultant of a Texas trade association in the field of rural
3 affairs; or

4 (2) the person's spouse is an officer, manager, or paid
5 consultant of a Texas trade association in the field of rural
6 affairs.

7 (c) A person may not be a member of the board [~~executive~~
8 ~~committee~~] or act as the general counsel to the board [~~executive~~
9 ~~committee~~] or the office if the person is required to register as a
10 lobbyist under Chapter 305 because of the person's activities for
11 compensation on behalf of a profession related to the operation of
12 the office.

13 SECTION 5. Sections 487.023 through 487.027, Government
14 Code, are amended to read as follows:

15 Sec. 487.023. TRAINING FOR MEMBERS OF BOARD [~~EXECUTIVE~~
16 ~~COMMITTEE~~]. (a) A person who is appointed to and qualifies for
17 office as a member of the board [~~executive committee~~] may not vote,
18 deliberate, or be counted as a member in attendance at a meeting of
19 the board [~~executive committee~~] until the person completes a
20 training program that complies with this section.

21 (b) The training program must provide the person with
22 information regarding:

23 (1) the legislation that created the office [~~and the~~
24 ~~executive committee~~];

25 (2) the programs, [~~operated by the office,~~

26 [~~(3) the role and~~] functions, [~~of the office,~~

27 [~~(4) the~~] rules, [~~of the office, with an emphasis on~~

~~any rules that relate to disciplinary] and [investigatory authority,~~

~~[(5) the current]~~ budget of ~~[for]~~ the office;

(3) ~~[(6)]~~ the results of the most recent formal audit of the office;

(4) ~~[(7)]~~ the requirements of laws relating to ~~[+]~~

~~[(A) the] open meetings [law], [Chapter 551,~~

~~[(B) the] public information [law], [Chapter 552,~~

~~[(C) the] administrative procedure [law], [Chapter 2001,~~ and conflicts of interest

~~[(D) other laws relating to public officials, including conflict-of-interest laws]; and~~

(5) ~~[(8)]~~ any applicable ethics policies adopted by the office ~~[executive committee]~~ or the Texas Ethics Commission.

(c) A person appointed to the board ~~[executive committee]~~ is entitled to reimbursement, as provided by ~~[general law and]~~ the General Appropriations Act, for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

Sec. 487.024. REMOVAL. (a) It is a ground for removal from the board ~~[executive committee]~~ that a member:

(1) does not have at the time of taking office the qualifications required by Section 487.021;

(2) does not maintain during service on the board ~~[executive committee]~~ the qualifications required by Section

1 487.021;

2 (3) is ineligible for membership under Section
3 487.022;

4 (4) cannot, because of illness or disability,
5 discharge the member's duties for a substantial part of the member's
6 term; or

7 (5) is absent from more than half of the regularly
8 scheduled board [~~executive committee~~] meetings that the member is
9 eligible to attend during a calendar year without an excuse
10 approved by a majority vote of the board [~~executive committee~~].

11 (b) The validity of an action of the board [~~executive~~
12 ~~committee~~] is not affected by the fact that it is taken when a
13 ground for removal of a board [~~an executive committee~~] member
14 exists.

15 (c) If the executive director has knowledge that a potential
16 ground for removal exists, the executive director shall notify the
17 presiding officer of the board [~~executive committee~~] of the
18 potential ground. The presiding officer shall then notify the
19 appointing authority [~~governor~~] and the attorney general that a
20 potential ground for removal exists. If the potential ground for
21 removal involves the presiding officer, the executive director
22 shall notify the next highest ranking officer of the board
23 [~~executive committee~~], who shall then notify the appointing
24 authority [~~governor~~] and the attorney general that a potential
25 ground for removal exists.

26 Sec. 487.025. DIVISION OF RESPONSIBILITY. The board
27 [~~executive committee~~] shall develop and implement policies that

1 clearly separate the policy-making responsibilities of the board
2 [~~executive committee~~] and the management responsibilities of the
3 executive director and staff of the office.

4 Sec. 487.026. EXECUTIVE DIRECTOR. (a) The board
5 [~~executive committee~~] may hire an executive director to serve as
6 the chief executive officer of the office and to perform the
7 administrative duties of the office.

8 (b) The executive director serves at the will of the board
9 [~~executive committee~~].

10 (c) The executive director may hire staff within guidelines
11 established by the board [~~executive committee~~].

12 Sec. 487.027. PUBLIC HEARINGS. The board [~~executive~~
13 ~~committee~~] shall develop and implement policies that provide the
14 public with a reasonable opportunity to appear before the board
15 [~~executive committee~~] and to speak on any issue under the
16 jurisdiction of the office.

17 SECTION 6. Section 487.029, Government Code, is amended to
18 read as follows:

19 Sec. 487.029. STANDARDS OF CONDUCT. The executive director
20 or the executive director's designee shall provide to members of
21 the board [~~executive committee~~] and to agency employees, as often
22 as necessary, information regarding the requirements for office or
23 employment under this chapter, including information regarding a
24 person's responsibilities under applicable laws relating to
25 standards of conduct for state officers or employees.

26 SECTION 7. Section 487.030, Government Code, is amended to
27 read as follows:

Sec. 487.030. COMPLAINTS. (a) The office shall maintain a system to promptly and efficiently act on complaints ~~[file on each written complaint]~~ filed with the office. The office shall maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition ~~[The file must include:~~

- ~~[(1) the name of the person who filed the complaint,~~
- ~~[(2) the date the complaint is received by the office,~~
- ~~[(3) the subject matter of the complaint,~~
- ~~[(4) the name of each person contacted in relation to the complaint,~~
- ~~[(5) a summary of the results of the review or investigation of the complaint, and~~
- ~~[(6) an explanation of the reason the file was closed, if the office closed the file without taking action other than to investigate the complaint].~~

(b) The office shall make information available describing its ~~[provide to the person filing the complaint and to each person who is a subject of the complaint a copy of the office's policies and]~~ procedures for ~~[relating to]~~ complaint investigation and resolution.

(c) The office ~~[, at least quarterly until final disposition of the complaint,]~~ shall periodically notify the complaint parties ~~[person filing the complaint and each person who is a subject of the complaint]~~ of the status of the complaint until final disposition ~~[investigation unless the notice would jeopardize an undercover~~

1 ~~investigation]~~.

2 SECTION 8. Subchapter B, Chapter 487, Government Code, is
3 amended by adding Sections 487.031 and 487.032 to read as follows:

4 Sec. 487.031. USE OF TECHNOLOGY. The board shall implement
5 a policy requiring the office to use appropriate technological
6 solutions to improve the office's ability to perform its functions.
7 The policy must ensure that the public is able to interact with the
8 office on the Internet.

9 Sec. 487.032. NEGOTIATED RULEMAKING AND ALTERNATIVE
10 DISPUTE RESOLUTION PROCEDURES. (a) The board shall develop and
11 implement a policy to encourage the use of:

12 (1) negotiated rulemaking procedures under Chapter
13 2008 for the adoption of office rules; and

14 (2) appropriate alternative dispute resolution
15 procedures under Chapter 2009 to assist in the resolution of
16 internal and external disputes under the office's jurisdiction.

17 (b) The office's procedures relating to alternative dispute
18 resolution must conform, to the extent possible, to any model
19 guidelines issued by the State Office of Administrative Hearings
20 for the use of alternative dispute resolution by state agencies.

21 (c) The board shall designate a trained person to:

22 (1) coordinate the implementation of the policy
23 adopted under Subsection (a);

24 (2) serve as a resource for any training needed to
25 implement the procedures for negotiated rulemaking or alternative
26 dispute resolution; and

27 (3) collect data concerning the effectiveness of those

1 procedures, as implemented by the office.

2 SECTION 9. Section 487.051, Government Code, is amended to
3 read as follows:

4 Sec. 487.051. POWERS AND DUTIES. (a) The office shall:

5 (1) assist rural communities in the key areas of
6 economic development, community development, rural health, and
7 rural housing [~~develop a rural policy for the state in consultation~~
8 ~~with local leaders representing all facets of rural community life,~~
9 ~~academic and industry experts, and state elected and appointed~~
10 ~~officials with interests in rural communities~~];

11 (2) serve as a clearinghouse for information and
12 resources on all state and federal programs affecting rural
13 communities [~~work with other state agencies and officials to~~
14 ~~improve the results and the cost-effectiveness of state programs~~
15 ~~affecting rural communities through coordination of efforts~~];

16 (3) in consultation with rural community leaders,
17 locally elected officials, state elected and appointed officials,
18 academic and industry experts, and the interagency work group
19 created under this chapter, identify and prioritize policy issues
20 and concerns affecting rural communities in the state [~~develop~~
21 ~~programs to improve the leadership capacity of rural community~~
22 ~~leaders~~];

23 (4) make recommendations to the legislature to address
24 the concerns affecting rural communities identified under
25 Subdivision (3);

26 (5) monitor developments that have a substantial
27 effect on rural Texas communities, especially actions of state

1 government, and compile an annual report describing and evaluating
2 the condition of rural communities;

3 (6) [~~45~~] administer the federal community
4 development block grant nonentitlement program;

5 (7) [~~46~~] administer programs supporting rural health
6 care as provided by this chapter;

7 (8) [~~47~~] perform research to determine the most
8 beneficial and cost-effective ways to improve the welfare of rural
9 communities;

10 (9) [~~48~~] ensure that the office qualifies as the
11 state's office of rural health for the purpose of receiving grants
12 from the Office of Rural Health Policy of the United States
13 Department of Health and Human Services under 42 U.S.C. Section
14 254r;

15 (10) [~~49~~] manage the state's Medicare rural hospital
16 flexibility program under 42 U.S.C. Section 1395i-4; ~~and~~

17 (11) [~~410~~] seek state and federal money available for
18 economic development in rural areas for programs under this
19 chapter; and

20 (12) in conjunction with the Department of
21 Agriculture, regularly cross-train office employees with employees
22 of the Department of Agriculture regarding the programs
23 administered and services provided by each agency to rural
24 communities.

25 (b) The office may require office employees who work at
26 locations other than the central office to be based in Department of
27 Agriculture offices.

1 SECTION 10. Section 487.052, Government Code, is amended to
2 read as follows:

3 Sec. 487.052. RULES. The board [~~executive committee~~] may
4 adopt rules as necessary to implement this chapter.

5 SECTION 11. Section 487.053(b), Government Code, is amended
6 to read as follows:

7 (b) All gifts, grants, and donations must be accepted in an
8 open meeting by a majority of the voting members of the board
9 [~~executive committee~~] and reported in the public record of the
10 meeting with the name of the donor and purpose of the gift, grant,
11 or donation.

12 SECTION 12. Section 487.054(b), Government Code, is amended
13 to read as follows:

14 (b) The board [~~executive committee~~] shall call the annual
15 meeting. The board [~~executive committee~~] shall set the time and
16 date of the meeting after consulting with the agency heads listed in
17 Subsection (a).

18 SECTION 13. Section 487.055, Government Code, is amended to
19 read as follows:

20 Sec. 487.055. ADVISORY COMMITTEES. The board [~~executive~~
21 ~~committee~~] may appoint advisory committees as necessary to assist
22 the board [~~executive committee~~] in performing its duties. An
23 advisory committee may be composed of private citizens and
24 representatives from state and local governmental entities. A
25 state or local governmental entity shall appoint a representative
26 to an advisory committee at the request of the board [~~executive~~
27 ~~committee~~]. Chapter 2110 does not apply to an advisory committee

created under this section.

SECTION 14. Section 487.056, Government Code, is amended by adding Subsection (c) to read as follows:

(c) The office shall obtain information on the availability of housing in rural communities throughout the state for all income levels. The office shall include the information, and the office's assessment of the information, in the office's report to the legislature.

SECTION 15. Section 487.057(b), Government Code, is amended to read as follows:

(b) The office shall submit the rural health work plan to the board [~~executive committee~~] for approval. The board [~~executive committee~~] shall approve the rural health work plan not later than August 1 of each odd-numbered year.

SECTION 16. Sections 487.059(b), (c), (e), (f), and (g), Government Code, are amended to read as follows:

(b) If a member of the board [~~executive committee~~] or a [~~another~~] committee established under this chapter, including an advisory committee, has a financial interest in an entity that applies for a monetary award, the board or committee member shall, before a vote on the monetary award, disclose the fact of the board or committee member's financial interest. The board or committee shall enter the disclosure into the minutes of the meeting at which a vote on the monetary award is taken. The board or committee member may not vote on or otherwise participate in a discussion or any other activity that relates to awarding the monetary award. If the board or committee member does not comply with this subsection,

1 the entity is not eligible for the monetary award.

2 (c) If the executive director or another office employee has
3 a financial interest in an entity that applies for a monetary award,
4 the executive director or employee:

5 (1) shall, as soon as possible, disclose to the board
6 ~~[executive committee]~~ the fact of the director's or employee's
7 financial interest;

8 (2) may not participate in staff evaluations regarding
9 the monetary award; and

10 (3) if the executive director or employee under office
11 procedures may ~~[has a]~~ vote, or make a recommendation concerning a
12 vote, on a matter that involves the monetary award:

13 (A) shall disclose the fact of the director's or
14 employee's financial interest before a vote on the monetary award,
15 which the board or committee shall enter into the minutes of the
16 meeting at which a vote on the monetary award is taken; and

17 (B) may not vote on or otherwise participate in a
18 discussion or any other activity that relates to awarding the
19 monetary award.

20 (e) Subsections (f) and (g) apply only to a member of the
21 board or a ~~[executive]~~ committee who is employed by:

22 (1) an entity that offers to enter into a contract with
23 the office; or

24 (2) an entity that is under common ownership or
25 governance with or otherwise affiliated with an entity that applies
26 for a monetary award or offers to enter into a contract with the
27 office.

1 (f) The board or ~~[executive]~~ committee member shall, before
2 a vote on the monetary award or contract, disclose the fact of the
3 member's employment by the entity. The board or ~~[executive]~~
4 committee shall enter the disclosure into the minutes of the
5 meeting at which a vote on the monetary award or contract is taken.
6 The board or ~~[executive]~~ committee member may not vote on or
7 otherwise participate in a discussion or any other activity that
8 relates to awarding the monetary award or contract.

9 (g) If the board or ~~[executive]~~ committee member does not
10 comply with Subsection (f), the entity is not eligible to be awarded
11 the monetary award or contract.

12 SECTION 17. Sections 487.103(a), (b), and (c), Government
13 Code, are amended to read as follows:

14 (a) The selection committee shall advise the board
15 ~~[executive committee]~~ on the progress of the program.

16 (b) The selection committee is composed of 12 members
17 appointed by the board ~~[executive committee]~~.

18 (c) The board ~~[executive committee]~~ shall consider
19 geographical representation in making appointments to the
20 selection committee.

21 SECTION 18. Sections 487.104(b) and (d), Government Code,
22 are amended to read as follows:

23 (b) The selection committee shall make selections based on
24 criteria approved by the board ~~[executive committee]~~ and adopted as
25 a rule of the office.

26 (d) The selection committee shall recommend to the board
27 ~~[executive committee]~~ guidelines to be used by rural communities in

1 the selection of students for nomination and sponsorship as
2 outstanding rural scholars.

3 SECTION 19. Section 487.107, Government Code, is amended to
4 read as follows:

5 Sec. 487.107. AWARDING OF LOANS. (a) The selection
6 committee shall recommend to the board [~~executive committee~~]
7 guidelines for the awarding of forgivable loans to outstanding
8 rural scholars.

9 (b) The board [~~executive committee~~], acting on the advice of
10 the selection committee, shall award forgivable loans to
11 outstanding rural scholars based on the availability of money in
12 the fund.

13 (c) If in any year the fund is inadequate to provide loans to
14 all eligible applicants, the board [~~executive committee~~] shall
15 award forgivable loans on a priority basis according to the
16 applicants' academic performance, test scores, and other criteria
17 of eligibility.

18 SECTION 20. Section 487.108(a), Government Code, is amended
19 to read as follows:

20 (a) On confirmation of an outstanding rural scholar's
21 admission to a postsecondary educational institution, or on receipt
22 of an enrollment report of the scholar at a postsecondary
23 educational institution, and a certification of the amount of
24 financial support needed, the selection committee annually shall
25 recommend to the board [~~executive committee~~] that the board
26 [~~committee~~] award a forgivable loan to the scholar in the amount of
27 50 percent of the cost of the scholar's tuition, fees, educational

1 materials, and living expenses.

2 SECTION 21. Sections 487.109(b), (c), and (d), Government
3 Code, are amended to read as follows:

4 (b) The sponsoring community shall report to the board
5 ~~[executive committee]~~ the length of time the scholar practices as a
6 health care professional in the community.

7 (c) If the board ~~[executive committee]~~ finds that a
8 sponsoring community is not in need of the scholar's services and
9 that the community is willing to forgive repayment of the principal
10 balance and interest of the scholar's loan, the board ~~[executive~~
11 ~~committee]~~ by rule may provide for the principal balance and
12 interest of one year of the scholar's loan to be forgiven for each
13 year the scholar practices in another rural community in this
14 state.

15 (d) Any amount of loan principal or interest that is not
16 forgiven under this section shall be repaid to the office with
17 reasonable collection fees in a timely manner as provided by board
18 ~~[executive committee]~~ rule.

19 SECTION 22. Section 487.112, Government Code, is amended to
20 read as follows:

21 Sec. 487.112. ADOPTION AND DISTRIBUTION OF RULES. (a) The
22 board ~~[executive committee]~~ shall adopt reasonable rules to enforce
23 the requirements, conditions, and limitations under this
24 subchapter.

25 (b) The board ~~[executive committee]~~ shall set the rate of
26 interest charged on a forgivable loan under this subchapter.

27 (c) The board ~~[executive committee]~~ shall adopt rules

1 necessary to ensure compliance with the federal Civil Rights Act of
2 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
3 in admissions.

4 SECTION 23. Section 487.154, Government Code, is amended to
5 read as follows:

6 Sec. 487.154. LOANS. (a) The board [~~executive committee~~]
7 may award forgivable educational loans to eligible students under
8 this subchapter.

9 (b) The board [~~executive committee~~] may award forgivable
10 loans to eligible students based on the availability of money in the
11 fund.

12 (c) If in any year the fund is inadequate to provide loans to
13 all eligible students, the board [~~executive committee~~] may award
14 forgivable loans on a priority basis according to the students'
15 academic performance, test scores, and other criteria of
16 eligibility.

17 SECTION 24. Section 487.155(a), Government Code, is amended
18 to read as follows:

19 (a) To be eligible to receive a loan under this subchapter,
20 a student must:

21 (1) be sponsored by an eligible community;

22 (2) at the time of the application for the loan, be
23 enrolled in high school or enrolled or accepted for enrollment in a
24 postsecondary educational institution in this state; .

25 (3) meet academic requirements as established by the
26 board [~~executive committee~~];

27 (4) plan to complete a health care professional degree

1 or certificate program;

2 (5) plan to practice as a health care professional in a
3 qualified area of the state; and

4 (6) meet other requirements as established by the
5 board [~~executive committee~~].

6 SECTION 25. Section 487.156(c), Government Code, is amended
7 to read as follows:

8 (c) The board [~~executive committee~~] shall determine the
9 percentage of educational expenses communities are required to
10 provide under this section.

11 SECTION 26. Section 487.157(a), Government Code, is amended
12 to read as follows:

13 (a) On confirmation of an eligible student's admission to a
14 postsecondary educational institution, or on receipt of an
15 enrollment report of the student at a postsecondary educational
16 institution, and certification of the amount of financial support
17 needed, the board [~~executive committee~~] may award a forgivable loan
18 to the student in the amount of not more than the cost of the
19 student's tuition, fees, educational materials, and living
20 expenses.

21 SECTION 27. Section 487.158(b), Government Code, is amended
22 to read as follows:

23 (b) The contract must provide that if the student does not
24 provide the required services to the community or provides those
25 services for less than the required time, the student is personally
26 liable to the state for:

27 (1) the total amount of assistance the student

1 receives from the office and the sponsoring community;

2 (2) interest on the total amount at a rate set by the
3 board [~~executive committee~~]; and

4 (3) the state's reasonable expenses incurred in
5 obtaining payment, including reasonable attorney's fees.

6 SECTION 28. Section 487.159(b), Government Code, is amended
7 to read as follows:

8 (b) If the board [~~executive committee~~] finds that a
9 sponsoring community is not in need of the student's services and
10 that the community is willing to forgive repayment of the principal
11 balance and interest of the student's loan, the board [~~executive~~
12 ~~committee~~] by rule may provide for the principal balance and
13 interest of the student's loan to be forgiven if the student
14 provides services in another qualified area in this state.

15 SECTION 29. Sections 487.161(b) and (c), Government Code,
16 are amended to read as follows:

17 (b) The sponsoring community shall report to the board
18 [~~executive committee~~] the length of time the student provides
19 health care services in the community in accordance with the
20 guidelines established by the board [~~executive committee~~].

21 (c) A postsecondary educational institution shall provide
22 to the board [~~executive committee~~] a copy of the academic
23 transcript of each student for whom the institution has received a
24 release that complies with state and federal open records laws and
25 that authorizes the provision of the transcript.

26 SECTION 30. Section 487.163, Government Code, is amended to
27 read as follows:

1 Sec. 487.163. ADOPTION OF RULES. (a) The board [~~executive~~
2 ~~committee~~] shall adopt reasonable rules to enforce the
3 requirements, conditions, and limitations of this subchapter.

4 (b) The board [~~executive committee~~] shall set the rate of
5 interest charged on a forgivable loan under this subchapter.

6 (c) The board [~~executive committee~~] shall adopt rules
7 necessary to ensure compliance with the federal Civil Rights Act of
8 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
9 in admissions.

10 SECTION 31. Sections 487.202, 487.203, and 487.204,
11 Government Code, are amended to read as follows:

12 Sec. 487.202. PROGRAM. (a) The board [~~executive~~
13 ~~committee~~] shall establish and administer a program under this
14 subchapter to increase the number of physicians providing primary
15 care in medically underserved communities.

16 (b) A medically underserved community may sponsor a
17 physician who has completed a primary care residency program and
18 has agreed to provide primary care in the community by contributing
19 start-up money for the physician and having that contribution
20 matched wholly or partly by state money appropriated to the office
21 [~~executive committee~~] for that purpose.

22 (c) A participating medically underserved community may
23 provide start-up money to an eligible physician over a two-year
24 period.

25 (d) The office [~~executive committee~~] may not pay more than
26 \$25,000 to a community in a fiscal year unless the board [~~executive~~
27 ~~committee~~] makes a specific finding of need by the community.

(e) The board [~~executive committee~~] shall establish priorities so that the neediest communities eligible for assistance under this subchapter are assured the receipt of a grant.

Sec. 487.203. ELIGIBILITY. To be eligible to receive money from the office [~~executive committee~~], a medically underserved community must:

- (1) apply for the money; and
- (2) provide evidence satisfactory to the board [~~executive committee~~] that it has entered into an agreement with a physician for the physician to provide primary care in the community for at least two years.

Sec. 487.204. RULES. The board [~~executive committee~~] shall adopt rules necessary for the administration of this subchapter, including rules addressing:

- (1) eligibility criteria for a medically underserved community;
- (2) eligibility criteria for a physician;
- (3) minimum and maximum community contributions to the start-up money for a physician to be matched with state money;
- (4) conditions under which state money must be repaid by a community or physician;
- (5) procedures for disbursement of money by the office [~~executive committee~~];
- (6) the form and manner in which a community must make its contribution to the start-up money; and
- (7) the contents of an agreement to be entered into by the parties, which must include at least:

(A) a credit check for an eligible physician; and

(B) community retention of interest in any property, equipment, or durable goods for seven years.

SECTION 32. Section 487.252, Government Code, is amended to read as follows:

Sec. 487.252. TEXAS HEALTH SERVICE CORPS PROGRAM. (a) The board [~~executive committee~~] shall establish a program in the office to assist communities in recruiting and retaining physicians to practice in medically underserved areas.

(b) The board [~~executive committee~~] by rule shall establish:

- (1) eligibility criteria for applicants;
- (2) stipend application procedures;
- (3) guidelines relating to stipend amounts;
- (4) procedures for evaluating stipend applications;

and

- (5) a system of priorities relating to the:

(A) geographic areas covered;

(B) medical specialties eligible to receive funding under the program; and

(C) level of stipend support.

SECTION 33. Section 487.253(a), Government Code, is amended to read as follows:

(a) The board [~~executive committee~~] shall adopt rules necessary to administer this subchapter, and the office shall administer the program in accordance with those rules.

SECTION 34. Section 487.351, Government Code, is amended by

adding Subsection (c) to read as follows:

(c) The office shall give priority to eligible activities in the areas of economic development, community development, rural health, and rural housing to support workforce development in awarding funding for community development block grant programs.

SECTION 35. Subchapter I, Chapter 487, Government Code, is amended by adding Section 487.3515 to read as follows:

Sec. 487.3515. EVALUATION OF COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM. (a) The office, in consultation with the Department of Agriculture, shall review and evaluate the administration of the state's allocation of federal funds under the community development block grant nonentitlement program and, based on the results of the evaluation, streamline administration of the program and program requirements. The office shall, at a minimum, evaluate:

(1) combining program fund categories, within allowable limits provided by state statute, the General Appropriations Act, and federal law and regulations;

(2) simplifying the grant application and scoring process; and

(3) regularly reviewing and closing out aged contracts.

(b) The office shall implement program changes resulting from the evaluation that do not require statutory changes as soon as possible, but not later than the date the office publishes the next community development block grant nonentitlement program action plan.

(c) The office shall include the findings from the

1 evaluation, program changes resulting from the evaluation, and any
2 statutory changes needed to make additional changes in the agency's
3 biennial report to the 81st Legislature.

4 (d) This section expires September 1, 2009.

5 SECTION 36. Section 487.353, Government Code, is amended by
6 amending Subsections (i) and (j) and adding Subsections (k) and (l)
7 to read as follows:

8 (i) The committee shall:

9 (1) consult with and advise the executive director on
10 the administration and enforcement of the community development
11 block grant program; and

12 (2) in consultation with the executive director and
13 office staff, review and approve grant and loan [funding]
14 applications and associated funding awards of eligible counties and
15 municipalities and advise and assist the executive director
16 regarding the allocation of program funds to those applicants.

17 (j) The committee may annually recommend to the executive
18 director a formula for allocating funds to each geographic state
19 planning region established by the governor under Chapter 391,
20 Local Government Code. The formula must give preference to regions
21 according to the regions' needs.

22 (k) An applicant for a grant, loan, or award under a
23 community development block grant program may appeal a decision of
24 the committee by filing a complaint with the board. The board shall
25 hold a hearing on a complaint filed with the board under this
26 subsection and render a decision.

27 (l) The committee is a governmental body for purposes of the

1 open meetings law, Chapter 551.

2 SECTION 37. Section 487.401, Government Code, is amended to
3 read as follows:

4 Sec. 487.401. ADMINISTRATION. (a) The board [~~executive~~
5 ~~committee~~] shall adopt rules that establish a procedure for
6 designating a hospital as a rural hospital in order for the hospital
7 to qualify for federal funds under 42 C.F.R. Part 412.

8 (b) At the hospital's request, the office shall designate
9 the hospital as a rural hospital if the hospital meets the
10 requirements for a rural hospital under the board's [~~executive~~
11 ~~committee's~~] rules.

12 SECTION 38. Section 487.451(1), Government Code, is amended
13 to read as follows:

14 (1) "Health care professional" means:

- 15 (A) an advanced nurse practitioner;
- 16 (B) a dentist;
- 17 (C) a dental hygienist;
- 18 (D) a laboratory technician;
- 19 (E) a licensed vocational nurse;
- 20 (F) a licensed professional counselor;
- 21 (G) a medical radiological technologist;
- 22 (H) an occupational therapist;
- 23 (I) a pharmacist;
- 24 (J) a physical therapist;
- 25 (K) a physician;
- 26 (L) a physician assistant;
- 27 (M) a psychologist;

1 (N) a registered nurse;
2 (O) a social worker;
3 (P) a speech-language pathologist;
4 (Q) a veterinarian;
5 (R) a chiropractor; and
6 (S) another appropriate health care professional
7 identified by the board [~~executive committee~~].

8 SECTION 39. Section 487.452(a), Government Code, is amended
9 to read as follows:

10 (a) The board [~~executive committee~~], in collaboration with
11 Area Health Education Center Programs, shall establish a community
12 healthcare awareness and mentoring program for students to:

13 (1) identify high school students in rural and
14 underserved urban areas who are interested in serving those areas
15 as health care professionals;

16 (2) identify health care professionals in rural and
17 underserved urban areas to act as positive role models, mentors, or
18 reference resources for the interested high school students;

19 (3) introduce interested high school students to the
20 spectrum of professional health care careers through activities
21 such as health care camps and shadowing of health care
22 professionals;

23 (4) encourage a continued interest in service as
24 health care professionals in rural and underserved urban areas by
25 providing mentors and community resources for students
26 participating in training or educational programs to become health
27 care professionals; and

1 (5) provide continuing community-based support for
2 students during the period the students are attending training or
3 educational programs to become health care professionals,
4 including summer job opportunities and opportunities to mentor high
5 school students in the community.

6 SECTION 40. Section 487.454, Government Code, is amended to
7 read as follows:

8 Sec. 487.454. GRANTS; ELIGIBILITY. (a) Subject to
9 available funds, the board [~~executive committee~~] shall develop and
10 implement, as a component of the program, a grant program to support
11 employment opportunities in rural and underserved urban areas in
12 this state for students participating in training or educational
13 programs to become health care professionals.

14 (b) In awarding grants under the program, the board
15 [~~executive committee~~] shall give first priority to grants to
16 training or educational programs that provide internships to
17 students.

18 (c) To be eligible to receive a grant under the grant
19 program, a person must:

20 (1) apply for the grant on a form adopted by the board
21 [~~executive committee~~];

22 (2) be enrolled or intend to be enrolled in a training
23 or educational program to become a health care professional;

24 (3) commit to practice or work, after licensure as a
25 health care professional, for at least one year as a health care
26 professional in a rural or underserved urban area in this state; and

27 (4) comply fully with any practice or requirements

1 associated with any scholarship, loan, or other similar benefit
2 received by the student.

3 (d) As a condition of receiving a grant under the program
4 the student must agree to repay the amount of the grant, plus a
5 penalty in an amount established by rule of the board [~~executive~~
6 ~~committee~~] not to exceed two times the amount of the grant, if the
7 student becomes licensed as a health care professional and fails to
8 practice or work for at least one year as a health care professional
9 in a rural or underserved urban area in this state.

10 SECTION 41. Section 487.553, Government Code, is amended to
11 read as follows:

12 Sec. 487.553. LOAN REIMBURSEMENT PROGRAM. The board
13 [~~executive committee~~] shall establish a program in the office to
14 assist communities in recruiting health professionals to practice
15 in medically underserved communities by providing loan
16 reimbursement for health professionals who serve in those
17 communities.

18 SECTION 42. Section 487.554(a), Government Code, is amended
19 to read as follows:

20 (a) The board [~~executive committee~~] shall establish a
21 program in the office to assist communities in recruiting health
22 professionals to practice in medically underserved communities by
23 providing a stipend to health professionals who agree to serve in
24 those communities.

25 SECTION 43. Section 487.555(e), Government Code, is amended
26 to read as follows:

27 (e) A contract under this section must provide that a health

1 professional who does not provide the required services to the
2 community or provides those services for less than the required
3 time is personally liable to the state for:

4 (1) the total amount of assistance the health
5 professional received from the office and the medically underserved
6 community;

7 (2) interest on the amount under Subdivision (1) at a
8 rate set by the board [~~executive committee~~];

9 (3) the state's reasonable expenses incurred in
10 obtaining payment, including reasonable attorney's fees; and

11 (4) a penalty as established by the board [~~executive~~
12 ~~committee~~] by rule to help ensure compliance with the contract.

13 SECTION 44. Section 487.556, Government Code, is amended to
14 read as follows:

15 Sec. 487.556. POWERS AND DUTIES OF OFFICE. (a) The board
16 [~~executive committee~~] shall adopt rules necessary for the
17 administration of this subchapter, including guidelines for:

18 (1) developing contracts under which loan
19 reimbursement or stipend recipients provide services to qualifying
20 communities;

21 (2) identifying the duties of the state, state agency,
22 loan reimbursement or stipend recipient, and medically underserved
23 community under the loan reimbursement or stipend contract;

24 (3) determining a rate of interest to be charged under
25 Section 487.555(e)(2);

26 (4) ensuring that a loan reimbursement or stipend
27 recipient provides access to health services to participants in

1 government-funded health benefits programs in qualifying
2 communities;

3 (5) encouraging the use of telecommunications or
4 telemedicine, as appropriate;

5 (6) prioritizing the provision of loan reimbursements
6 and stipends to health professionals who are not eligible for any
7 other state loan forgiveness, loan repayment, or stipend program;

8 (7) prioritizing the provision of loan reimbursements
9 and stipends to health professionals who are graduates of health
10 professional degree programs in this state;

11 (8) encouraging a medically underserved community
12 served by a loan reimbursement or stipend recipient to contribute
13 to the cost of the loan reimbursement or stipend when making a
14 contribution is feasible; and

15 (9) requiring a medically underserved community
16 served by a loan reimbursement or stipend recipient to assist the
17 office in contracting with the loan reimbursement or stipend
18 recipient who will serve that community.

19 (b) The board [~~executive committee~~] by rule may designate
20 areas of the state as medically underserved communities.

21 (c) The board [~~executive committee~~] shall make reasonable
22 efforts to contract with health professionals from a variety of
23 different health professions.

24 SECTION 45. Section 487.608(a), Government Code, is amended
25 to read as follows:

26 (a) The rural physician relief advisory committee is
27 composed of the following members appointed by the board [~~executive~~]

committee]:

(1) a physician who practices in the area of general family medicine in a rural county;

(2) a physician who practices in the area of general internal medicine in a rural county;

(3) a physician who practices in the area of general pediatrics in a rural county;

(4) a representative from an accredited Texas medical school;

(5) a program director from an accredited primary care residency program;

(6) a representative from the Texas Higher Education Coordinating Board; and

(7) a representative from the Texas ~~[State Board of]~~ Medical Board ~~[Examiners]~~.

SECTION 46. Section 110.003(a), Health and Safety Code, is amended to read as follows:

(a) The Rural Foundation is governed by a board of five directors appointed by the board ~~[executive committee]~~ of the Office of Rural Community Affairs from individuals recommended by the executive director of the Office of Rural Community Affairs.

SECTION 47. Section 110.010, Health and Safety Code, is amended to read as follows:

Sec. 110.010. MEMORANDUM OF UNDERSTANDING. The Rural Foundation and the Office of Rural Community Affairs shall enter into a memorandum of understanding that:

(1) requires the board of directors and staff of the

1 foundation to report to the executive director and board [~~executive~~
2 ~~committee~~] of the Office of Rural Community Affairs;

3 (2) allows the Office of Rural Community Affairs to
4 provide staff functions to the foundation;

5 (3) allows the Office of Rural Community Affairs to
6 expend funds on the foundation; and

7 (4) outlines the financial contributions to be made to
8 the foundation from funds obtained from grants and other sources.

9 SECTION 48. (a) The nine members of the executive committee
10 of the Office of Rural Community Affairs who are serving
11 immediately before September 1, 2007, continue to serve as members
12 of the governing board of the office on and after that date
13 regardless of whether those members meet the membership
14 requirements prescribed by Subchapter B, Chapter 487, Government
15 Code, as amended by this Act. However, the positions of those nine
16 members are abolished on the date on which a majority of the 11
17 board membership positions that are created under Section 487.021,
18 Government Code, as amended by this Act, are filled and the
19 appointees qualify for office.

20 (b) The governor shall make the 10 appointments to the board
21 under Section 487.021, Government Code, as amended by this Act, as
22 soon as possible on or after September 1, 2007. In making the
23 initial appointments, the governor shall designate three members
24 for terms expiring February 1, 2009, three members for terms
25 expiring February 1, 2011, and four members for terms expiring
26 February 1, 2013. Any person who served as a member of the
27 executive committee before September 1, 2007, may be appointed to

1 the board.

2 SECTION 49. This Act takes effect immediately if it
3 receives a vote of two-thirds of all the members elected to each
4 house, as provided by Section 39, Article III, Texas Constitution.
5 If this Act does not receive the vote necessary for immediate
6 effect, this Act takes effect September 1, 2007.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 1. Amends Section 487.001(1), Government Code to change definition of the executive committee to mean the Board of the Office of Rural Community Affairs.

SECTION 2. Amends Section 487.002, Government Code. Provides for an eight year sunset date by changing the sunset date for the Office from 2007 to 2015.

SECTION 3.

Amends Section 487.021, Government Code to create an 11-member Board. Requires the 10 appointed members to reside in rural cities or counties. Specifies Board membership, as follows:

- four members appointed by the Governor representing different geographic regions of the state, including two locally elected officials or city or county employees and two public members;
- three members appointed by the Lieutenant Governor, including one Senator and two public members;
- three members appointed by the Speaker of the House, including one Representative and two public members;
- and
- the Commissioner of Agriculture or designee.

Makes conforming changes.

Specifies that the two members of the Board that are Legislative members are non-voting members.

SENATE VERSION

SECTION 1. Same as House version.

SECTION 2. Provides for a four year date, instead of the eight year date in the House version, by changing the sunset date to 2011. (Floor amendment #1 by Brimer)

SECTION 3.

Similar to the House version, except that the Senate version removes the direct appointment by the Lt. Governor and the Speaker of three members each, including a State Senator and Representative. Instead, the Senate version provides for the Governor to select three public members each from lists submitted by the Lt. Governor and the Speaker. Specifies that individuals nominated by the lieutenant governor and the speaker of the house of representatives reside in a rural city or county and be interested in rural issues. Specifies that the governor may reject one or more of the nominees on a list submitted by the lieutenant governor or the speaker of the house of representatives and request a new list of different nominees. (Floor amendment #2 by Estes)

No equivalent provision.

CONFERENCE

SECTION 1. Same as House version.

SECTION 2. Provides for a six year date by changing the sunset date to 2013.

SECTION 3. Same as Senate version.

Same as Senate version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

Makes the definition of “rural city or county” the same as the definition under the federal rural community development block grant program.

Specifies that a member of the board not serving as an additional duty of an office in state government serve for staggered six-year terms, with two or three member's terms expiring February 1 of each odd numbered year.

Specifies that a member of the legislature serves at the will of the appointing authority.

Requires the Governor to designate the presiding officer of the Board to serve in that capacity at the will of the governor.

Specifies that service on the board by a member of the legislature, the commissioner of agriculture, or an officer of a county or municipality is an additional duty of the person's office.

SECTION 4. Amends Sections 487.022(b) and (c), Government Code. Makes conforming changes relating to creation of a board in place of the executive committee.

SENATE VERSION

Same as House version.

Same as House version.

Same as House version.

Requires the Commissioner of Agriculture, or designee, to serve as the presiding officer of the board. (Floor amendment #3 by Duncan)

Same as House version.

SECTION 4. Same as House version.

CONFERENCE

Same as House version.

Conforming change for Senate amendment # 2.
Same as the House version, except with “three or four” member's terms expiring February 1 of each odd numbered year.

Conforming change for Senate amendment # 2.
Strikes provision to conform with removal of appointment of legislative members to the Board.

Same as House version.

Conforming change for Senate amendment # 2.
Deletes “a member of legislature” from the provision.

SECTION 4. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 5. Amends Sections 487.023 through 487.027, Government Code. Modifies board member training by providing more flexibility to provide training on the agency's programs, rules and budget, and laws relating to public information and open meetings. Makes conforming changes.

SECTION 6. Amends Section 487.029, Government Code. Makes conforming changes.

SECTION 7. Amends Section 487.030, Government Code. Modifies current requirements for maintaining information on complaints with less prescriptive language.

SECTION 8. Amends Subchapter B, Chapter 487, Government Code, adding Sections 487.031 and 487.032. Requires the Office to make effective use of technology in delivery of services and provision of information to the public. Requires the Office to develop a policy that encourages the use of negotiated rulemaking and alternative dispute resolution.

SENATE VERSION

SECTION 5. Same as House version.

SECTION 6. Same as House version.

SECTION 7. Same as House version.

SECTION 8. Same as House version.

CONFERENCE

SECTION 5. Same as House version.

SECTION 6. Same as House version.

SECTION 7. Same as House version.

SECTION 8. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 9. Amends Section 487.051, Government Code. Requires the Office to assist rural communities with economic development, community development, rural health, and rural housing. Requires the Office to serve as a clearinghouse for information on rural programs and services. Requires Office to consult with rural leaders to identify and prioritize policy issues affecting rural communities. Requires Office to make recommendations to the legislature to address identified rural concerns. Requires the Office, in conjunction with the Texas Department of Agriculture, to cross-train staff on respective rural programs and services. Permits the Office to collocate its field staff in the Texas Department of Agriculture's offices.

SECTION 10. Amends Section 487.052, Government Code. Makes conforming changes.

SECTION 11. Amends Section 487.053(b), Government Code. Makes conforming changes.

SECTION 12. Amends Section 487.054(b), Government Code. Makes conforming changes.

SECTION 13. Amends Section 487.055, Government Code. Makes conforming changes.

SENATE VERSION

SECTION 9. Same as House version.

SECTION 10. Same as House version.

SECTION 11. Same as House version.

SECTION 12. Same as House version.

SECTION 13. Same as House version.

CONFERENCE

SECTION 9. Same as House version.

SECTION 10. Same as House version.

SECTION 11. Same as House version.

SECTION 12. Same as House version.

SECTION 13. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 14. Amends Section 487.056, Government Code, adding Subsection (c). Requires the Office to include information on rural housing in its report to the Legislature.

SECTION 15. Amends Section 487.057(b), Government Code. Makes conforming changes and technical corrections.

SECTION 16. Amends Sections 487.059(b), (c), (e), (f), and (g), Government Code. Makes conforming changes.

SECTION 17. Amends Sections 487.103(a), (b), and (c), Government Code. Makes conforming changes.

SECTION 18. Amends Sections 487.104(b) and (d), Government Code. Makes conforming changes.

SECTION 19. Amends Section 487.107, Government Code. Makes conforming changes.

SECTION 20. Amends Section 487.108(a), Government Code. Makes conforming changes.

SECTION 21. Amends Sections 487.109(b), (c), and (d), Government Code. Makes conforming changes.

SECTION 22. Amends Section 487.112, Government Code. Makes conforming changes.

SENATE VERSION

SECTION 14. Same as House version.

SECTION 15. Same as House version.

SECTION 16. Same as House version.

SECTION 17. Same as House version.

SECTION 18. Same as House version.

SECTION 19. Same as House version.

SECTION 20. Same as House version.

SECTION 21. Same as House version.

SECTION 22. Same as House version.

CONFERENCE

SECTION 14. Same as House version.

SECTION 15. Same as House version.

SECTION 16. Same as House version.

SECTION 17. Same as House version.

SECTION 18. Same as House version.

SECTION 19. Same as House version.

SECTION 20. Same as House version.

SECTION 21. Same as House version.

SECTION 22. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 23. Amends Section 487.154, Government Code. Makes conforming changes.

SECTION 24. Amends Section 487.155(a), Government Code. Makes conforming changes.

SECTION 25. Amends Section 487.156(c), Government Code. Makes conforming changes.

SECTION 26. Amends Section 487.157(a), Government Code. Makes conforming changes.

SECTION 27. Amends Section 487.158(b), Government Code. Makes conforming changes.

SECTION 28. Amends Section 487.159(b), Government Code. Makes conforming changes.

SECTION 29. Amends Sections 487.161(b) and (c), Government Code. Makes conforming changes.

SECTION 30. Amends Section 487.163, Government Code. Makes conforming changes.

SECTION 31. Amends Sections 487.202, 487.203, and 487.204, Government Code. Makes conforming changes and technical corrections.

SENATE VERSION

SECTION 23. Same as House version.

SECTION 24. Same as House version.

SECTION 25. Same as House version.

SECTION 26. Same as House version.

SECTION 27. Same as House version.

SECTION 28. Same as House version.

SECTION 29. Same as House version.

SECTION 30. Same as House version.

SECTION 31. Same as House version.

CONFERENCE

SECTION 23. Same as House version.

SECTION 24. Same as House version.

SECTION 25. Same as House version.

SECTION 26. Same as House version.

SECTION 27. Same as House version.

SECTION 28. Same as House version.

SECTION 29. Same as House version.

SECTION 30. Same as House version.

SECTION 31. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 32. Amends Section 487.252, Government Code. Makes conforming changes.

SECTION 33. Amends Section 487.253(a), Government Code. Makes conforming changes.

SECTION 34. Amends Section 487.351, Government Code, adding (c). Requires the office to give priority to rural community development block grant eligible activities in the areas of economic development, community development, rural health, and rural housing to support workforce development.

SECTION 35. Amends Subchapter I, Chapter 487, Government Code, by adding Section 487.3515. Requires the Office, in consultation with the Texas Department of Agriculture, to evaluate and streamline administration of the rural community development block grant program. Specifies what the evaluation, at a minimum, must include. Requires the Office to implement non-statutory changes to the program no later than the next action plan, and to report to the 81st Legislature. Specifies that the section expires September 1, 2009.

SENATE VERSION

SECTION 32. Same as House version.

SECTION 33. Same as House version.

SECTION 34. Same as House version.

SECTION 35. Same as House version.

CONFERENCE

SECTION 32. Same as House version.

SECTION 33. Same as House version.

SECTION 34. Same as House version.

SECTION 35. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 36. Amends Section 487.353, Government Code, by amending Subsections (i) and (j) and adding Subsections (k) and (l). Requires the State Review Committee to review rural community development block grant applications and approve these grants. Specifies that the Board shall hear appeals of the Committee's scoring and funding decisions. Specifies that the Committee is a governmental body for purposes of the open meetings law, Chapter 551.

SECTION 37. Amends Section 487.401, Government Code. Makes conforming changes.

SECTION 38. Amends Section 487.451(1), Government Code. Makes conforming changes.

SECTION 39. Amends Section 487.452(a), Government Code. Makes conforming changes.

SECTION 40. Amends Section 487.454, Government Code. Makes conforming changes.

SECTION 41. Amends Section 487.553, Government Code. Makes a conforming change.

SECTION 42. Amends Section 487.554(a), Government Code. Makes conforming changes.

SENATE VERSION

SECTION 36. Same as House version.

SECTION 37. Same as House version.

SECTION 38. Same as House version.

SECTION 39. Same as House version.

SECTION 40. Same as House version.

SECTION 41. Same as House version.

SECTION 42. Same as House version.

CONFERENCE

SECTION 36. Same as House version.

SECTION 37. Same as House version.

SECTION 38. Same as House version.

SECTION 39. Same as House version.

SECTION 40. Same as House version.

SECTION 41. Same as House version.

SECTION 42. Same as House version.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 43. Amends Section 487.555(e), Government Code. Makes conforming changes.

SECTION 44. Amends Section 487.556, Government Code. Makes conforming changes.

SECTION 45. Amends Section 487.608(a), Government Code. Makes conforming changes and a technical correction.

SECTION 46. Amends Section 110.003(a), Health and Safety Code. Makes a conforming change.

SECTION 47. Amends Section 110.010, Health and Safety Code. Makes a conforming change.

SECTION 48. Adds instructional provision specifying the expiration of terms for current executive committee members.

Adds instructional provision specifying staggered terms for new appointments by the governor, lieutenant governor, and speaker.

SENATE VERSION

SECTION 43. Same as House version.

SECTION 44. Same as House version.

SECTION 45. Same as House version.

SECTION 46. Same as House version.

SECTION 47. Same as House version.

SECTION 48. Same as House version.

Same as House version.

CONFERENCE

SECTION 43. Same as House version.

SECTION 44. Same as House version.

SECTION 45. Same as House version.

SECTION 46. Same as House version.

SECTION 47. Same as House version.

SECTION 48. Same as House version.

Conforming change for Senate amendment # 2.
Deletes "lieutenant governor and speaker" and adjusts the staggering of terms to reflect the removal of legislative members from the board.

House Bill 2542
Conference Committee Report
Section-by-Section Analysis
May 25, 2007

HOUSE VERSION

SECTION 49. Specifies that the Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house. If the Act does not receive the vote necessary for immediate effect, the Act takes effect September 1, 2007.

SENATE VERSION

SECTION 49. Same as House version.

CONFERENCE

SECTION 49. Same as House version.

ENROLLMENT

H.B. No. 2542

AN ACT

relating to the continuation and functions of the Office of Rural Community Affairs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 487.001(1), Government Code, is amended to read as follows:

(1) "Board" [~~"Executive committee"~~] means the board [~~executive committee~~] of the Office of Rural Community Affairs.

SECTION 2. Section 487.002, Government Code, is amended to read as follows:

Sec. 487.002. SUNSET PROVISION. The Office of Rural Community Affairs is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the office is abolished and this chapter expires September 1, 2013 [~~2007~~].

SECTION 3. Section 487.021, Government Code, is amended to read as follows:

Sec. 487.021. BOARD [~~EXECUTIVE COMMITTEE~~]. (a) The board [~~executive committee~~] is the governing body of the office.

(b) The board [~~executive committee~~] is composed of the following 11 [~~nine~~] members:

(1) four [~~three~~] members who represent different geographic regions of the state appointed by the governor, including:

1 (A) two locally elected rural city or county
2 officials or city or county employees involved with rural
3 development; and

4 (B) two public members each of whom resides in a
5 rural city or county;

6 (2) three public members appointed by the [lieutenant]
7 governor from a list of nominees submitted by the lieutenant
8 governor; [and]

9 (3) three public members appointed by the governor
10 from a list of nominees submitted by the speaker of the house of
11 representatives; and

12 (4) the commissioner of agriculture or the
13 commissioner's designee.

14 (b-1) The individuals nominated by the lieutenant governor
15 and the speaker of the house of representatives must reside in a
16 rural city or county and be interested in rural issues. In making
17 an appointment under Subsection (b)(2) or (3), the governor may
18 reject one or more of the nominees on a list submitted by the
19 lieutenant governor or the speaker of the house of representatives
20 and request a new list of different nominees.

21 (c) In this section, "rural city or county" means a rural
22 city or county as defined by the federal community development
23 block grant nonentitlement program. [The governor, the lieutenant
24 governor, and the speaker of the house of representatives shall
25 each appoint at least two members who possess a strong
26 understanding of and commitment to rural interests based on the
27 individual's personal history, including residency, occupation,

1 ~~and business or civic activities.]~~

2 (d) Appointments to the board ~~[executive committee]~~ shall
3 be made without regard to the race, color, disability, sex,
4 religion, age, or national origin of the appointees.

5 (e) The members of the board who are not serving as an
6 additional duty of an office in state government ~~[executive~~
7 ~~committee]~~ serve for staggered six-year terms, with the terms of
8 three or four members expiring February 1 of each odd-numbered
9 year.

10 (f) Board ~~[Executive committee]~~ members receive no
11 compensation but are entitled to reimbursement of actual and
12 necessary expenses incurred in the performance of their duties.

13 (g) The governor shall designate a member ~~[The members]~~ of
14 the board as the ~~[executive committee annually shall elect a]~~
15 presiding officer ~~[from among the members]~~ of the board to serve in
16 that capacity at the will of the governor ~~[executive committee]~~.

17 (h) Service on the board by the commissioner of agriculture
18 or an officer of a county or municipality is an additional duty of
19 the individual's office.

20 SECTION 4. Sections 487.022(b) and (c), Government Code,
21 are amended to read as follows:

22 (b) A person may not be a member of the board ~~[executive~~
23 ~~committee]~~ and may not be an office employee employed in a "bona
24 fide executive, administrative, or professional capacity," as that
25 phrase is used for purposes of establishing an exemption to the
26 overtime provisions of the federal Fair Labor Standards Act of 1938
27 (29 U.S.C. Section 201 et seq.) and its subsequent amendments, if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in the field of rural affairs; or

(2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the field of rural affairs.

(c) A person may not be a member of the board ~~[executive committee]~~ or act as the general counsel to the board ~~[executive committee]~~ or the office if the person is required to register as a lobbyist under Chapter 305 because of the person's activities for compensation on behalf of a profession related to the operation of the office.

SECTION 5. Sections 487.023 through 487.027, Government Code, are amended to read as follows:

Sec. 487.023. TRAINING FOR MEMBERS OF BOARD ~~[EXECUTIVE COMMITTEE]~~. (a) A person who is appointed to and qualifies for office as a member of the board ~~[executive committee]~~ may not vote, deliberate, or be counted as a member in attendance at a meeting of the board ~~[executive committee]~~ until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

(1) the legislation that created the office ~~[and the executive committee]~~;

(2) the programs, ~~[operated by the office,~~

~~[(3) the role and]~~ functions, ~~[of the office,~~

~~[(4) the]~~ rules, ~~[of the office, with an emphasis on~~

1 ~~any rules that relate to disciplinary]~~ and ~~[investigatory~~
2 ~~authority,~~

3 ~~[(5) the current]~~ budget of ~~[for]~~ the office;

4 (3) ~~[(6)]~~ the results of the most recent formal audit
5 of the office;

6 (4) ~~[(7)]~~ the requirements of laws relating to ~~[+~~

7 ~~[(A) the]~~ open meetings ~~[law]~~, ~~[Chapter 551,~~

8 ~~[(B) the]~~ public information ~~[law]~~, ~~[Chapter~~
9 ~~552,~~

10 ~~[(C) the]~~ administrative procedure ~~[law]~~,
11 ~~[Chapter 2001,~~] and conflicts of interest

12 ~~[(D) other laws relating to public officials,~~
13 ~~including conflict-of-interest laws]~~; and

14 (5) ~~[(8)]~~ any applicable ethics policies adopted by
15 the office ~~[executive committee]~~ or the Texas Ethics Commission.

16 (c) A person appointed to the board ~~[executive committee]~~ is
17 entitled to reimbursement, as provided by ~~[general law and]~~ the
18 General Appropriations Act, for the travel expenses incurred in
19 attending the training program regardless of whether the attendance
20 at the program occurs before or after the person qualifies for
21 office.

22 Sec. 487.024. REMOVAL. (a) It is a ground for removal from
23 the board ~~[executive committee]~~ that a member:

24 (1) does not have at the time of taking office the
25 qualifications required by Section 487.021;

26 (2) does not maintain during service on the board
27 ~~[executive committee]~~ the qualifications required by Section

1 487.021;

2 (3) is ineligible for membership under Section
3 487.022;

4 (4) cannot, because of illness or disability,
5 discharge the member's duties for a substantial part of the member's
6 term; or

7 (5) is absent from more than half of the regularly
8 scheduled board [~~executive committee~~] meetings that the member is
9 eligible to attend during a calendar year without an excuse
10 approved by a majority vote of the board [~~executive committee~~].

11 (b) The validity of an action of the board [~~executive~~
12 ~~committee~~] is not affected by the fact that it is taken when a
13 ground for removal of a board [~~an executive committee~~] member
14 exists.

15 (c) If the executive director has knowledge that a potential
16 ground for removal exists, the executive director shall notify the
17 presiding officer of the board [~~executive committee~~] of the
18 potential ground. The presiding officer shall then notify the
19 appointing authority [~~governor~~] and the attorney general that a
20 potential ground for removal exists. If the potential ground for
21 removal involves the presiding officer, the executive director
22 shall notify the next highest ranking officer of the board
23 [~~executive committee~~], who shall then notify the appointing
24 authority [~~governor~~] and the attorney general that a potential
25 ground for removal exists.

26 Sec. 487.025. DIVISION OF RESPONSIBILITY. The board
27 [~~executive committee~~] shall develop and implement policies that

1 clearly separate the policy-making responsibilities of the board
2 [~~executive committee~~] and the management responsibilities of the
3 executive director and staff of the office.

4 Sec. 487.026. EXECUTIVE DIRECTOR. (a) The board
5 [~~executive committee~~] may hire an executive director to serve as
6 the chief executive officer of the office and to perform the
7 administrative duties of the office.

8 (b) The executive director serves at the will of the board
9 [~~executive committee~~].

10 (c) The executive director may hire staff within guidelines
11 established by the board [~~executive committee~~].

12 Sec. 487.027. PUBLIC HEARINGS. The board [~~executive~~
13 ~~committee~~] shall develop and implement policies that provide the
14 public with a reasonable opportunity to appear before the board
15 [~~executive committee~~] and to speak on any issue under the
16 jurisdiction of the office.

17 SECTION 6. Section 487.029, Government Code, is amended to
18 read as follows:

19 Sec. 487.029. STANDARDS OF CONDUCT. The executive director
20 or the executive director's designee shall provide to members of
21 the board [~~executive committee~~] and to agency employees, as often
22 as necessary, information regarding the requirements for office or
23 employment under this chapter, including information regarding a
24 person's responsibilities under applicable laws relating to
25 standards of conduct for state officers or employees.

26 SECTION 7. Section 487.030, Government Code, is amended to
27 read as follows:

1 Sec. 487.030. COMPLAINTS. (a) The office shall maintain a
2 system to promptly and efficiently act on complaints ~~[file on each~~
3 ~~written complaint]~~ filed with the office. The office shall
4 maintain information about parties to the complaint, the subject
5 matter of the complaint, a summary of the results of the review or
6 investigation of the complaint, and its disposition ~~[The file must~~
7 ~~include:~~

8 ~~[(1) the name of the person who filed the complaint,~~
9 ~~[(2) the date the complaint is received by the office,~~
10 ~~[(3) the subject matter of the complaint,~~
11 ~~[(4) the name of each person contacted in relation to~~
12 ~~the complaint,~~
13 ~~[(5) a summary of the results of the review or~~
14 ~~investigation of the complaint, and~~
15 ~~[(6) an explanation of the reason the file was closed,~~
16 ~~if the office closed the file without taking action other than to~~
17 ~~investigate the complaint].~~

18 (b) The office shall make information available describing
19 its ~~[provide to the person filing the complaint and to each person~~
20 ~~who is a subject of the complaint a copy of the office's policies~~
21 ~~and]~~ procedures for ~~[relating to]~~ complaint investigation and
22 resolution.

23 (c) The office~~[, at least quarterly until final disposition~~
24 ~~of the complaint,~~] shall periodically notify the complaint parties
25 ~~[person filing the complaint and each person who is a subject of the~~
26 ~~complaint]~~ of the status of the complaint until final disposition
27 ~~[investigation unless the notice would jeopardize an undercover~~

1 ~~investigation]~~.

2 SECTION 8. Subchapter B, Chapter 487, Government Code, is
3 amended by adding Sections 487.031 and 487.032 to read as follows:

4 Sec. 487.031. USE OF TECHNOLOGY. The board shall implement
5 a policy requiring the office to use appropriate technological
6 solutions to improve the office's ability to perform its functions.
7 The policy must ensure that the public is able to interact with the
8 office on the Internet.

9 Sec. 487.032. NEGOTIATED RULEMAKING AND ALTERNATIVE
10 DISPUTE RESOLUTION PROCEDURES. (a) The board shall develop and
11 implement a policy to encourage the use of:

12 (1) negotiated rulemaking procedures under Chapter
13 2008 for the adoption of office rules; and

14 (2) appropriate alternative dispute resolution
15 procedures under Chapter 2009 to assist in the resolution of
16 internal and external disputes under the office's jurisdiction.

17 (b) The office's procedures relating to alternative dispute
18 resolution must conform, to the extent possible, to any model
19 guidelines issued by the State Office of Administrative Hearings
20 for the use of alternative dispute resolution by state agencies.

21 (c) The board shall designate a trained person to:

22 (1) coordinate the implementation of the policy
23 adopted under Subsection (a);

24 (2) serve as a resource for any training needed to
25 implement the procedures for negotiated rulemaking or alternative
26 dispute resolution; and

27 (3) collect data concerning the effectiveness of those

1 procedures, as implemented by the office.

2 SECTION 9. Section 487.051, Government Code, is amended to
3 read as follows:

4 Sec. 487.051. POWERS AND DUTIES. (a) The office shall:

5 (1) assist rural communities in the key areas of
6 economic development, community development, rural health, and
7 rural housing [~~develop a rural policy for the state in consultation~~
8 ~~with local leaders representing all facets of rural community life,~~
9 ~~academic and industry experts, and state elected and appointed~~
10 ~~officials with interests in rural communities~~];

11 (2) serve as a clearinghouse for information and
12 resources on all state and federal programs affecting rural
13 communities [~~work with other state agencies and officials to~~
14 ~~improve the results and the cost-effectiveness of state programs~~
15 ~~affecting rural communities through coordination of efforts~~];

16 (3) in consultation with rural community leaders,
17 locally elected officials, state elected and appointed officials,
18 academic and industry experts, and the interagency work group
19 created under this chapter, identify and prioritize policy issues
20 and concerns affecting rural communities in the state [~~develop~~
21 ~~programs to improve the leadership capacity of rural community~~
22 ~~leaders~~];

23 (4) make recommendations to the legislature to address
24 the concerns affecting rural communities identified under
25 Subdivision (3);

26 (5) monitor developments that have a substantial
27 effect on rural Texas communities, especially actions of state

1 government, and compile an annual report describing and evaluating
2 the condition of rural communities;

3 (6) [~~(5)~~] administer the federal community
4 development block grant nonentitlement program;

5 (7) [~~(6)~~] administer programs supporting rural health
6 care as provided by this chapter;

7 (8) [~~(7)~~] perform research to determine the most
8 beneficial and cost-effective ways to improve the welfare of rural
9 communities;

10 (9) [~~(8)~~] ensure that the office qualifies as the
11 state's office of rural health for the purpose of receiving grants
12 from the Office of Rural Health Policy of the United States
13 Department of Health and Human Services under 42 U.S.C. Section
14 254r;

15 (10) [~~(9)~~] manage the state's Medicare rural hospital
16 flexibility program under 42 U.S.C. Section 1395i-4; ~~[and]~~

17 (11) [~~(10)~~] seek state and federal money available for
18 economic development in rural areas for programs under this
19 chapter; and

20 (12) in conjunction with the Department of
21 Agriculture, regularly cross-train office employees with employees
22 of the Department of Agriculture regarding the programs
23 administered and services provided by each agency to rural
24 communities.

25 (b) The office may require office employees who work at
26 locations other than the central office to be based in Department of
27 Agriculture offices.

1 SECTION 10. Section 487.052, Government Code, is amended to
2 read as follows:

3 Sec. 487.052. RULES. The board [~~executive committee~~] may
4 adopt rules as necessary to implement this chapter.

5 SECTION 11. Section 487.053(b), Government Code, is amended
6 to read as follows:

7 (b) All gifts, grants, and donations must be accepted in an
8 open meeting by a majority of the voting members of the board
9 [~~executive committee~~] and reported in the public record of the
10 meeting with the name of the donor and purpose of the gift, grant,
11 or donation.

12 SECTION 12. Section 487.054(b), Government Code, is amended
13 to read as follows:

14 (b) The board [~~executive committee~~] shall call the annual
15 meeting. The board [~~executive committee~~] shall set the time and
16 date of the meeting after consulting with the agency heads listed in
17 Subsection (a).

18 SECTION 13. Section 487.055, Government Code, is amended to
19 read as follows:

20 Sec. 487.055. ADVISORY COMMITTEES. The board [~~executive~~
21 ~~committee~~] may appoint advisory committees as necessary to assist
22 the board [~~executive committee~~] in performing its duties. An
23 advisory committee may be composed of private citizens and
24 representatives from state and local governmental entities. A
25 state or local governmental entity shall appoint a representative
26 to an advisory committee at the request of the board [~~executive~~
27 ~~committee~~]. Chapter 2110 does not apply to an advisory committee

1 created under this section.

2 SECTION 14. Section 487.056, Government Code, is amended by
3 adding Subsection (c) to read as follows:

4 (c) The office shall obtain information on the availability
5 of housing in rural communities throughout the state for all income
6 levels. The office shall include the information, and the office's
7 assessment of the information, in the office's report to the
8 legislature.

9 SECTION 15. Section 487.057(b), Government Code, is amended
10 to read as follows:

11 (b) The office shall submit the rural health work plan to
12 the board [~~executive committee~~] for approval. The board [~~executive~~
13 ~~committee~~] shall approve the rural health work plan not later than
14 August 1 of each odd-numbered year.

15 SECTION 16. Sections 487.059(b), (c), (e), (f), and (g),
16 Government Code, are amended to read as follows:

17 (b) If a member of the board [~~executive committee~~] or a
18 [~~another~~] committee established under this chapter, including an
19 advisory committee, has a financial interest in an entity that
20 applies for a monetary award, the board or committee member shall,
21 before a vote on the monetary award, disclose the fact of the board
22 or committee member's financial interest. The board or committee
23 shall enter the disclosure into the minutes of the meeting at which
24 a vote on the monetary award is taken. The board or committee
25 member may not vote on or otherwise participate in a discussion or
26 any other activity that relates to awarding the monetary award. If
27 the board or committee member does not comply with this subsection,

1 the entity is not eligible for the monetary award.

2 (c) If the executive director or another office employee has
3 a financial interest in an entity that applies for a monetary award,
4 the executive director or employee:

5 (1) shall, as soon as possible, disclose to the board
6 ~~[executive committee]~~ the fact of the director's or employee's
7 financial interest;

8 (2) may not participate in staff evaluations regarding
9 the monetary award; and

10 (3) if the executive director or employee under office
11 procedures may ~~[has a]~~ vote, or make a recommendation concerning a
12 vote, on a matter that involves the monetary award:

13 (A) shall disclose the fact of the director's or
14 employee's financial interest before a vote on the monetary award,
15 which the board or committee shall enter into the minutes of the
16 meeting at which a vote on the monetary award is taken; and

17 (B) may not vote on or otherwise participate in a
18 discussion or any other activity that relates to awarding the
19 monetary award.

20 (e) Subsections (f) and (g) apply only to a member of the
21 board or a ~~[executive]~~ committee who is employed by:

22 (1) an entity that offers to enter into a contract with
23 the office; or

24 (2) an entity that is under common ownership or
25 governance with or otherwise affiliated with an entity that applies
26 for a monetary award or offers to enter into a contract with the
27 office.

1 (f) The board or ~~[executive]~~ committee member shall, before
2 a vote on the monetary award or contract, disclose the fact of the
3 member's employment by the entity. The board or ~~[executive]~~
4 committee shall enter the disclosure into the minutes of the
5 meeting at which a vote on the monetary award or contract is taken.
6 The board or ~~[executive]~~ committee member may not vote on or
7 otherwise participate in a discussion or any other activity that
8 relates to awarding the monetary award or contract.

9 (g) If the board or ~~[executive]~~ committee member does not
10 comply with Subsection (f), the entity is not eligible to be awarded
11 the monetary award or contract.

12 SECTION 17. Sections 487.103(a), (b), and (c), Government
13 Code, are amended to read as follows:

14 (a) The selection committee shall advise the board
15 ~~[executive committee]~~ on the progress of the program.

16 (b) The selection committee is composed of 12 members
17 appointed by the board ~~[executive committee]~~.

18 (c) The board ~~[executive committee]~~ shall consider
19 geographical representation in making appointments to the
20 selection committee.

21 SECTION 18. Sections 487.104(b) and (d), Government Code,
22 are amended to read as follows:

23 (b) The selection committee shall make selections based on
24 criteria approved by the board ~~[executive committee]~~ and adopted as
25 a rule of the office.

26 (d) The selection committee shall recommend to the board
27 ~~[executive committee]~~ guidelines to be used by rural communities in

1 the selection of students for nomination and sponsorship as
2 outstanding rural scholars.

3 SECTION 19. Section 487.107, Government Code, is amended to
4 read as follows:

5 Sec. 487.107. AWARDING OF LOANS. (a) The selection
6 committee shall recommend to the board [~~executive committee~~]
7 guidelines for the awarding of forgivable loans to outstanding
8 rural scholars.

9 (b) The board [~~executive committee~~], acting on the advice of
10 the selection committee, shall award forgivable loans to
11 outstanding rural scholars based on the availability of money in
12 the fund.

13 (c) If in any year the fund is inadequate to provide loans to
14 all eligible applicants, the board [~~executive committee~~] shall
15 award forgivable loans on a priority basis according to the
16 applicants' academic performance, test scores, and other criteria
17 of eligibility.

18 SECTION 20. Section 487.108(a), Government Code, is amended
19 to read as follows:

20 (a) On confirmation of an outstanding rural scholar's
21 admission to a postsecondary educational institution, or on receipt
22 of an enrollment report of the scholar at a postsecondary
23 educational institution, and a certification of the amount of
24 financial support needed, the selection committee annually shall
25 recommend to the board [~~executive committee~~] that the board
26 [~~committee~~] award a forgivable loan to the scholar in the amount of
27 50 percent of the cost of the scholar's tuition, fees, educational

1 materials, and living expenses.

2 SECTION 21. Sections 487.109(b), (c), and (d), Government
3 Code, are amended to read as follows:

4 (b) The sponsoring community shall report to the board
5 [~~executive committee~~] the length of time the scholar practices as a
6 health care professional in the community.

7 (c) If the board [~~executive committee~~] finds that a
8 sponsoring community is not in need of the scholar's services and
9 that the community is willing to forgive repayment of the principal
10 balance and interest of the scholar's loan, the board [~~executive~~
11 ~~committee~~] by rule may provide for the principal balance and
12 interest of one year of the scholar's loan to be forgiven for each
13 year the scholar practices in another rural community in this
14 state.

15 (d) Any amount of loan principal or interest that is not
16 forgiven under this section shall be repaid to the office with
17 reasonable collection fees in a timely manner as provided by board
18 [~~executive committee~~] rule.

19 SECTION 22. Section 487.112, Government Code, is amended to
20 read as follows:

21 Sec. 487.112. ADOPTION AND DISTRIBUTION OF RULES. (a) The
22 board [~~executive committee~~] shall adopt reasonable rules to enforce
23 the requirements, conditions, and limitations under this
24 subchapter.

25 (b) The board [~~executive committee~~] shall set the rate of
26 interest charged on a forgivable loan under this subchapter.

27 (c) The board [~~executive committee~~] shall adopt rules

1 necessary to ensure compliance with the federal Civil Rights Act of
2 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
3 in admissions.

4 SECTION 23. Section 487.154, Government Code, is amended to
5 read as follows:

6 Sec. 487.154. LOANS. (a) The board [~~executive committee~~]
7 may award forgivable educational loans to eligible students under
8 this subchapter.

9 (b) The board [~~executive committee~~] may award forgivable
10 loans to eligible students based on the availability of money in the
11 fund.

12 (c) If in any year the fund is inadequate to provide loans to
13 all eligible students, the board [~~executive committee~~] may award
14 forgivable loans on a priority basis according to the students'
15 academic performance, test scores, and other criteria of
16 eligibility.

17 SECTION 24. Section 487.155(a), Government Code, is amended
18 to read as follows:

19 (a) To be eligible to receive a loan under this subchapter,
20 a student must:

- 21 (1) be sponsored by an eligible community;
- 22 (2) at the time of the application for the loan, be
23 enrolled in high school or enrolled or accepted for enrollment in a
24 postsecondary educational institution in this state;
- 25 (3) meet academic requirements as established by the
26 board [~~executive committee~~];
- 27 (4) plan to complete a health care professional degree

1 or certificate program;

2 (5) plan to practice as a health care professional in a
3 qualified area of the state; and

4 (6) meet other requirements as established by the
5 board [~~executive committee~~].

6 SECTION 25. Section 487.156(c), Government Code, is amended
7 to read as follows:

8 (c) The board [~~executive committee~~] shall determine the
9 percentage of educational expenses communities are required to
10 provide under this section.

11 SECTION 26. Section 487.157(a), Government Code, is amended
12 to read as follows:

13 (a) On confirmation of an eligible student's admission to a
14 postsecondary educational institution, or on receipt of an
15 enrollment report of the student at a postsecondary educational
16 institution, and certification of the amount of financial support
17 needed, the board [~~executive committee~~] may award a forgivable loan
18 to the student in the amount of not more than the cost of the
19 student's tuition, fees, educational materials, and living
20 expenses.

21 SECTION 27. Section 487.158(b), Government Code, is amended
22 to read as follows:

23 (b) The contract must provide that if the student does not
24 provide the required services to the community or provides those
25 services for less than the required time, the student is personally
26 liable to the state for:

27 (1) the total amount of assistance the student

1 receives from the office and the sponsoring community;

2 (2) interest on the total amount at a rate set by the
3 board [~~executive committee~~]; and

4 (3) the state's reasonable expenses incurred in
5 obtaining payment, including reasonable attorney's fees.

6 SECTION 28. Section 487.159(b), Government Code, is amended
7 to read as follows:

8 (b) If the board [~~executive committee~~] finds that a
9 sponsoring community is not in need of the student's services and
10 that the community is willing to forgive repayment of the principal
11 balance and interest of the student's loan, the board [~~executive~~
12 ~~committee~~] by rule may provide for the principal balance and
13 interest of the student's loan to be forgiven if the student
14 provides services in another qualified area in this state.

15 SECTION 29. Sections 487.161(b) and (c), Government Code,
16 are amended to read as follows:

17 (b) The sponsoring community shall report to the board
18 [~~executive committee~~] the length of time the student provides
19 health care services in the community in accordance with the
20 guidelines established by the board [~~executive committee~~].

21 (c) A postsecondary educational institution shall provide
22 to the board [~~executive committee~~] a copy of the academic
23 transcript of each student for whom the institution has received a
24 release that complies with state and federal open records laws and
25 that authorizes the provision of the transcript.

26 SECTION 30. Section 487.163, Government Code, is amended to
27 read as follows:

1 Sec. 487.163. ADOPTION OF RULES. (a) The board [~~executive~~
2 ~~committee~~] shall adopt reasonable rules to enforce the
3 requirements, conditions, and limitations of this subchapter.

4 (b) The board [~~executive committee~~] shall set the rate of
5 interest charged on a forgivable loan under this subchapter.

6 (c) The board [~~executive committee~~] shall adopt rules
7 necessary to ensure compliance with the federal Civil Rights Act of
8 1964 (42 U.S.C. Section 2000a et seq.) concerning nondiscrimination
9 in admissions.

10 SECTION 31. Sections 487.202, 487.203, and 487.204,
11 Government Code, are amended to read as follows:

12 Sec. 487.202. PROGRAM. (a) The board [~~executive~~
13 ~~committee~~] shall establish and administer a program under this
14 subchapter to increase the number of physicians providing primary
15 care in medically underserved communities.

16 (b) A medically underserved community may sponsor a
17 physician who has completed a primary care residency program and
18 has agreed to provide primary care in the community by contributing
19 start-up money for the physician and having that contribution
20 matched wholly or partly by state money appropriated to the office
21 [~~executive committee~~] for that purpose.

22 (c) A participating medically underserved community may
23 provide start-up money to an eligible physician over a two-year
24 period.

25 (d) The office [~~executive committee~~] may not pay more than
26 \$25,000 to a community in a fiscal year unless the board [~~executive~~
27 ~~committee~~] makes a specific finding of need by the community.

1 (e) The board [~~executive committee~~] shall establish
2 priorities so that the neediest communities eligible for assistance
3 under this subchapter are assured the receipt of a grant.

4 Sec. 487.203. ELIGIBILITY. To be eligible to receive money
5 from the office [~~executive committee~~], a medically underserved
6 community must:

- 7 (1) apply for the money; and
8 (2) provide evidence satisfactory to the board
9 [~~executive committee~~] that it has entered into an agreement with a
10 physician for the physician to provide primary care in the
11 community for at least two years.

12 Sec. 487.204. RULES. The board [~~executive committee~~] shall
13 adopt rules necessary for the administration of this subchapter,
14 including rules addressing:

- 15 (1) eligibility criteria for a medically underserved
16 community;
17 (2) eligibility criteria for a physician;
18 (3) minimum and maximum community contributions to the
19 start-up money for a physician to be matched with state money;
20 (4) conditions under which state money must be repaid
21 by a community or physician;
22 (5) procedures for disbursement of money by the office
23 [~~executive committee~~];
24 (6) the form and manner in which a community must make
25 its contribution to the start-up money; and
26 (7) the contents of an agreement to be entered into by
27 the parties, which must include at least:

1 (A) a credit check for an eligible physician; and

2 (B) community retention of interest in any
3 property, equipment, or durable goods for seven years.

4 SECTION 32. Section 487.252, Government Code, is amended to
5 read as follows:

6 Sec. 487.252. TEXAS HEALTH SERVICE CORPS PROGRAM. (a) The
7 board [~~executive committee~~] shall establish a program in the office
8 to assist communities in recruiting and retaining physicians to
9 practice in medically underserved areas.

10 (b) The board [~~executive committee~~] by rule shall
11 establish:

12 (1) eligibility criteria for applicants;

13 (2) stipend application procedures;

14 (3) guidelines relating to stipend amounts;

15 (4) procedures for evaluating stipend applications;

16 and

17 (5) a system of priorities relating to the:

18 (A) geographic areas covered;

19 (B) medical specialties eligible to receive
20 funding under the program; and

21 (C) level of stipend support.

22 SECTION 33. Section 487.253(a), Government Code, is amended
23 to read as follows:

24 (a) The board [~~executive committee~~] shall adopt rules
25 necessary to administer this subchapter, and the office shall
26 administer the program in accordance with those rules.

27 SECTION 34. Section 487.351, Government Code, is amended by

adding Subsection (c) to read as follows:

(c) The office shall give priority to eligible activities in the areas of economic development, community development, rural health, and rural housing to support workforce development in awarding funding for community development block grant programs.

SECTION 35. Subchapter I, Chapter 487, Government Code, is amended by adding Section 487.3515 to read as follows:

Sec. 487.3515. EVALUATION OF COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM. (a) The office, in consultation with the Department of Agriculture, shall review and evaluate the administration of the state's allocation of federal funds under the community development block grant nonentitlement program and, based on the results of the evaluation, streamline administration of the program and program requirements. The office shall, at a minimum, evaluate:

(1) combining program fund categories, within allowable limits provided by state statute, the General Appropriations Act, and federal law and regulations;

(2) simplifying the grant application and scoring process; and

(3) regularly reviewing and closing out aged contracts.

(b) The office shall implement program changes resulting from the evaluation that do not require statutory changes as soon as possible, but not later than the date the office publishes the next community development block grant nonentitlement program action plan.

(c) The office shall include the findings from the

1 evaluation, program changes resulting from the evaluation, and any
2 statutory changes needed to make additional changes in the agency's
3 biennial report to the 81st Legislature.

4 (d) This section expires September 1, 2009.

5 SECTION 36. Section 487.353, Government Code, is amended by
6 amending Subsections (i) and (j) and adding Subsections (k) and (l)
7 to read as follows:

8 (i) The committee shall:

9 (1) consult with and advise the executive director on
10 the administration and enforcement of the community development
11 block grant program; and

12 (2) in consultation with the executive director and
13 office staff, review and approve grant and loan [funding]
14 applications and associated funding awards of eligible counties and
15 municipalities and advise and assist the executive director
16 regarding the allocation of program funds to those applicants.

17 (j) The committee may annually recommend to the executive
18 director a formula for allocating funds to each geographic state
19 planning region established by the governor under Chapter 391,
20 Local Government Code. The formula must give preference to regions
21 according to the regions' needs.

22 (k) An applicant for a grant, loan, or award under a
23 community development block grant program may appeal a decision of
24 the committee by filing a complaint with the board. The board shall
25 hold a hearing on a complaint filed with the board under this
26 subsection and render a decision.

27 (l) The committee is a governmental body for purposes of the

1 open meetings law, Chapter 551.

2 SECTION 37. Section 487.401, Government Code, is amended to
3 read as follows:

4 Sec. 487.401. ADMINISTRATION. (a) The board [~~executive~~
5 ~~committee~~] shall adopt rules that establish a procedure for
6 designating a hospital as a rural hospital in order for the hospital
7 to qualify for federal funds under 42 C.F.R. Part 412.

8 (b) At the hospital's request, the office shall designate
9 the hospital as a rural hospital if the hospital meets the
10 requirements for a rural hospital under the board's [~~executive~~
11 ~~committee's~~] rules.

12 SECTION 38. Section 487.451(1), Government Code, is amended
13 to read as follows:

- 14 (1) "Health care professional" means:
- 15 (A) an advanced nurse practitioner;
 - 16 (B) a dentist;
 - 17 (C) a dental hygienist;
 - 18 (D) a laboratory technician;
 - 19 (E) a licensed vocational nurse;
 - 20 (F) a licensed professional counselor;
 - 21 (G) a medical radiological technologist;
 - 22 (H) an occupational therapist;
 - 23 (I) a pharmacist;
 - 24 (J) a physical therapist;
 - 25 (K) a physician;
 - 26 (L) a physician assistant;
 - 27 (M) a psychologist;

1 (N) a registered nurse;
2 (O) a social worker;
3 (P) a speech-language pathologist;
4 (Q) a veterinarian;
5 (R) a chiropractor; and
6 (S) another appropriate health care professional
7 identified by the board [~~executive committee~~].

8 SECTION 39. Section 487.452(a), Government Code, is amended
9 to read as follows:

10 (a) The board [~~executive committee~~], in collaboration with
11 Area Health Education Center Programs, shall establish a community
12 healthcare awareness and mentoring program for students to:

13 (1) identify high school students in rural and
14 underserved urban areas who are interested in serving those areas
15 as health care professionals;

16 (2) identify health care professionals in rural and
17 underserved urban areas to act as positive role models, mentors, or
18 reference resources for the interested high school students;

19 (3) introduce interested high school students to the
20 spectrum of professional health care careers through activities
21 such as health care camps and shadowing of health care
22 professionals;

23 (4) encourage a continued interest in service as
24 health care professionals in rural and underserved urban areas by
25 providing mentors and community resources for students
26 participating in training or educational programs to become health
27 care professionals; and

1 (5) provide continuing community-based support for
2 students during the period the students are attending training or
3 educational programs to become health care professionals,
4 including summer job opportunities and opportunities to mentor high
5 school students in the community.

6 SECTION 40. Section 487.454, Government Code, is amended to
7 read as follows:

8 Sec. 487.454. GRANTS; ELIGIBILITY. (a) Subject to
9 available funds, the board [~~executive committee~~] shall develop and
10 implement, as a component of the program, a grant program to support
11 employment opportunities in rural and underserved urban areas in
12 this state for students participating in training or educational
13 programs to become health care professionals.

14 (b) In awarding grants under the program, the board
15 [~~executive committee~~] shall give first priority to grants to
16 training or educational programs that provide internships to
17 students.

18 (c) To be eligible to receive a grant under the grant
19 program, a person must:

20 (1) apply for the grant on a form adopted by the board
21 [~~executive committee~~];

22 (2) be enrolled or intend to be enrolled in a training
23 or educational program to become a health care professional;

24 (3) commit to practice or work, after licensure as a
25 health care professional, for at least one year as a health care
26 professional in a rural or underserved urban area in this state; and

27 (4) comply fully with any practice or requirements

1 associated with any scholarship, loan, or other similar benefit
2 received by the student.

3 (d) As a condition of receiving a grant under the program
4 the student must agree to repay the amount of the grant, plus a
5 penalty in an amount established by rule of the board [~~executive~~
6 ~~committee~~] not to exceed two times the amount of the grant, if the
7 student becomes licensed as a health care professional and fails to
8 practice or work for at least one year as a health care professional
9 in a rural or underserved urban area in this state.

10 SECTION 41. Section 487.553, Government Code, is amended to
11 read as follows:

12 Sec. 487.553. LOAN REIMBURSEMENT PROGRAM. The board
13 [~~executive committee~~] shall establish a program in the office to
14 assist communities in recruiting health professionals to practice
15 in medically underserved communities by providing loan
16 reimbursement for health professionals who serve in those
17 communities.

18 SECTION 42. Section 487.554(a), Government Code, is amended
19 to read as follows:

20 (a) The board [~~executive committee~~] shall establish a
21 program in the office to assist communities in recruiting health
22 professionals to practice in medically underserved communities by
23 providing a stipend to health professionals who agree to serve in
24 those communities.

25 SECTION 43. Section 487.555(e), Government Code, is amended
26 to read as follows:

27 (e) A contract under this section must provide that a health

1 professional who does not provide the required services to the
2 community or provides those services for less than the required
3 time is personally liable to the state for:

4 (1) the total amount of assistance the health
5 professional received from the office and the medically underserved
6 community;

7 (2) interest on the amount under Subdivision (1) at a
8 rate set by the board [~~executive committee~~];

9 (3) the state's reasonable expenses incurred in
10 obtaining payment, including reasonable attorney's fees; and

11 (4) a penalty as established by the board [~~executive~~
12 ~~committee~~] by rule to help ensure compliance with the contract.

13 SECTION 44. Section 487.556, Government Code, is amended to
14 read as follows:

15 Sec. 487.556. POWERS AND DUTIES OF OFFICE. (a) The board
16 [~~executive committee~~] shall adopt rules necessary for the
17 administration of this subchapter, including guidelines for:

18 (1) developing contracts under which loan
19 reimbursement or stipend recipients provide services to qualifying
20 communities;

21 (2) identifying the duties of the state, state agency,
22 loan reimbursement or stipend recipient, and medically underserved
23 community under the loan reimbursement or stipend contract;

24 (3) determining a rate of interest to be charged under
25 Section 487.555(e)(2);

26 (4) ensuring that a loan reimbursement or stipend
27 recipient provides access to health services to participants in

1 government-funded health benefits programs in qualifying
2 communities;

3 (5) encouraging the use of telecommunications or
4 telemedicine, as appropriate;

5 (6) prioritizing the provision of loan reimbursements
6 and stipends to health professionals who are not eligible for any
7 other state loan forgiveness, loan repayment, or stipend program;

8 (7) prioritizing the provision of loan reimbursements
9 and stipends to health professionals who are graduates of health
10 professional degree programs in this state;

11 (8) encouraging a medically underserved community
12 served by a loan reimbursement or stipend recipient to contribute
13 to the cost of the loan reimbursement or stipend when making a
14 contribution is feasible; and

15 (9) requiring a medically underserved community
16 served by a loan reimbursement or stipend recipient to assist the
17 office in contracting with the loan reimbursement or stipend
18 recipient who will serve that community.

19 (b) The board [~~executive committee~~] by rule may designate
20 areas of the state as medically underserved communities.

21 (c) The board [~~executive committee~~] shall make reasonable
22 efforts to contract with health professionals from a variety of
23 different health professions.

24 SECTION 45. Section 487.608(a), Government Code, is amended
25 to read as follows:

26 (a) The rural physician relief advisory committee is
27 composed of the following members appointed by the board [~~executive~~

1 ~~committee~~]:

2 (1) a physician who practices in the area of general
3 family medicine in a rural county;

4 (2) a physician who practices in the area of general
5 internal medicine in a rural county;

6 (3) a physician who practices in the area of general
7 pediatrics in a rural county;

8 (4) a representative from an accredited Texas medical
9 school;

10 (5) a program director from an accredited primary care
11 residency program;

12 (6) a representative from the Texas Higher Education
13 Coordinating Board; and

14 (7) a representative from the Texas [~~State Board of~~
15 Medical Board ~~Examiners~~].

16 SECTION 46. Section 110.003(a), Health and Safety Code, is
17 amended to read as follows:

18 (a) The Rural Foundation is governed by a board of five
19 directors appointed by the board [~~executive committee~~] of the
20 Office of Rural Community Affairs from individuals recommended by
21 the executive director of the Office of Rural Community Affairs.

22 SECTION 47. Section 110.010, Health and Safety Code, is
23 amended to read as follows:

24 Sec. 110.010. MEMORANDUM OF UNDERSTANDING. The Rural
25 Foundation and the Office of Rural Community Affairs shall enter
26 into a memorandum of understanding that:

27 (1) requires the board of directors and staff of the

1 foundation to report to the executive director and board [~~executive~~
2 ~~committee~~] of the Office of Rural Community Affairs;

3 (2) allows the Office of Rural Community Affairs to
4 provide staff functions to the foundation;

5 (3) allows the Office of Rural Community Affairs to
6 expend funds on the foundation; and

7 (4) outlines the financial contributions to be made to
8 the foundation from funds obtained from grants and other sources.

9 SECTION 48. (a) The nine members of the executive committee
10 of the Office of Rural Community Affairs who are serving
11 immediately before September 1, 2007, continue to serve as members
12 of the governing board of the office on and after that date
13 regardless of whether those members meet the membership
14 requirements prescribed by Subchapter B, Chapter 487, Government
15 Code, as amended by this Act. However, the positions of those nine
16 members are abolished on the date on which a majority of the 11
17 board membership positions that are created under Section 487.021,
18 Government Code, as amended by this Act, are filled and the
19 appointees qualify for office.

20 (b) The governor shall make the 10 appointments to the board
21 under Section 487.021, Government Code, as amended by this Act, as
22 soon as possible on or after September 1, 2007. In making the
23 initial appointments, the governor shall designate three members
24 for terms expiring February 1, 2009, three members for terms
25 expiring February 1, 2011, and four members for terms expiring
26 February 1, 2013. Any person who served as a member of the
27 executive committee before September 1, 2007, may be appointed to

1 the board.

2 SECTION 49. This Act takes effect immediately if it
3 receives a vote of two-thirds of all the members elected to each
4 house, as provided by Section 39, Article III, Texas Constitution.
5 If this Act does not receive the vote necessary for immediate
6 effect, this Act takes effect September 1, 2007.

H.B. No. 2542

President of the Senate

Speaker of the House

I certify that H.B. No. 2542 was passed by the House on May 7, 2007, by the following vote: Yeas 145, Nays 0, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 2542 on May 24, 2007, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 2542 on May 27, 2007, by the following vote: Yeas 147, Nays 0, 2 present, not voting.

Chief Clerk of the House

H.B. No. 2542

I certify that H.B. No. 2542 was passed by the Senate, with amendments, on May 21, 2007, by the following vote: Yeas 30, Nays 1; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 2542 on May 26, 2007, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor

for chief clerk use only

Bill or Resolution Number:

HB 2542

JOINT AUTHOR AUTHORIZATION

As primary author of HB 2542 I hereby authorize the following joint author(s):
(bill or resolution #)

Don Flynn
printed name of joint author #1

Don Flynn
signature of joint author #1

APR 16 2007

Vicki Trevitt
printed name of joint author #2

Vicki Trevitt
signature of joint author #2

APR 16 2007

McClendon
printed name of joint author #3

Paul McClendon
signature of joint author #3

APR 16 2007

printed name of joint author #4

signature of joint author #4

Don Flynn
signature of primary author

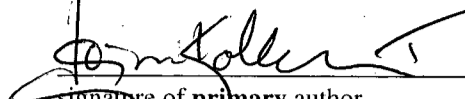
3.12.07
date

80TH LEGISLATURE

COAUTHOR AUTHORIZATION

(please request your coauthors to sign this form in lieu of the front or the back of the original bill)

Bill or Resolution Number: HB 2542


signature of primary author

Lois W. Kolkhorst
printed name of primary author

3.22.07
Date

PERMISSION TO SIGN HB 2542 HAS BEEN GIVEN TO (check only one of the following):
(bill or resolution #)

☒ ALL REPRESENTATIVES
☐ THE FOLLOWING REPRESENTATIVE(S):

I authorize the Chief Clerk to include my name as a coauthor of the legislation indicated above:

A2100 Allen	Date	A2450 Cook, Byron	Date	A2795 Farabee	Date
A2125 Alonzo	Date	A2565 Cook, Robby	Date	A2820 Farias	Date
A2150 Anchia	Date	A2595 Corte	Date	A2810 Farrar	Date
A2155 Anderson	Date	A2605 Crabb	Date	A2840 Flores	Date
A2145 Aycock	Date	A2610 Craddick	Date	A2850 Flynn	Date
A2160 Bailey	Date	A2615 Creighton	Date	A2860 Frost	Date
A2205 Berman	Date	A2640 Crownover	Date	A2920 Gallego	Date
A2230 Bohac	Date	A2645 Darby	Date	A2915 Garcia	Date
A2240 Bolton	Date	A2620 Davis, John	Date	A2960 Gattis	Date
A2250 Bonnen	Date	A2625 Davis, Yvonne	Date	A2945 Geren	Date
A2280 Branch	Date	A2680 Delisi	Date	A2935 Giddings	Date
A2265 Brown, Betty	Date	A2690 Deshotel	Date	A2910 Gonzales	Date
A2270 Brown, Fred	Date	A2705 Driver	Date	A4660 Gonzalez Toureilles	Date
A2255 Burnam	Date	A2665 Dukes	Date	A2990 Goolsby	Date
A2295 Callegari	Date	A2660 Dunnam	Date	A3045 Guillen	Date
A2495 Castro	Date	A2650 Dutton	Date	A3035 Haggerty	Date
A2585 Chavez	Date	A2775 Eiland	Date	A3050 Hamilton	Date
A2480 Chisum	Date	A2780 Eissler	Date	A3100 Hancock	Date
A2525 Christian	Date	A2785 Elkins	Date	A3160 Hardcastle	Date
A2425 Cohen	Date	A2805 England	Date	A3150 Harless	Date
A2435 Coleman	Date	A2800 Escobar	Date	A3165 Harper-Brown	Date

A3170 Hartnett	Date	A3730 Mallory Caraway	Date	A4185 Pitts	Date
A3175 Heflin	Date	A3780 Martinez	Date	A4200 Puente	Date
A3155 Hernandez	Date	A2835 Martinez Fischer	Date	A4230 Quintanilla	Date
A3140 Herrero	Date	A3665 McCall	Date	A4215 Raymond	Date
A3250 Hilderbran	Date	A3650 McClendon	Date	A4220 Riddle	Date
A3275 Hill	Date	A3845 McReynolds	Date	A4250 Ritter	Date
A3305 Hochberg	Date	A3830 Menendez	Date	A4270 Rodriguez	Date
A3290 Hodge	Date	A3840 Merritt	Date	A4350 Rose	Date
A3325 Homer	Date	A3825 Miles	Date	A4525 Smith, Todd	Date
A3330 Hopson	Date	A3835 Miller	Date	A4540 Smith, Wayne	Date
A3315 Howard, Charlie	Date	A3860 Moreno	Date	A4530 Smithee	Date
A3310 Howard, Donna	Date	A3870 Morrison	Date	A4505 Solomons	Date
A3340 Hughes	Date	A3865 Mowery	Date	A4545 Strama	Date
A3375 Isett	Date	A3875 Murphy	Date	A4565 Straus	Date
A3350 Jackson	Date	A3885 Naishtat	Date	A4570 Swinford	Date
A3405 Jones	Date	A3900 Noriega	Date	A4585 Talton	Date
A3480 Keffer	Date	A3890 O'Day	Date	A4600 Taylor	Date
A3470 King, Phil	Date	A3880 Oliveira	Date	A4630 Thompson	Date
A3460 King, Susan	Date	A3886 Olivo	Date	A4650 Truitt	Date
A3465 King, Tracy	Date	A3930 Orr	Date	A4685 Turner	Date
A3495 Kolkhorst	Date	A3940 Ortiz, Jr.	Date	A4700 Van Arsdale	Date
A3485 Krusee	Date	A3945 Otto	Date	A4780 Vaught	Date
A3450 Kuempel	Date	A4090 Parker	Date	A4725 Veasey	Date
A3520 Latham	Date	A4050 Patrick	Date	A4800 Villarreal	Date
A3540 Laubenberg	Date	A4100 Paxton	Date	A4900 Vo	Date
A3560 Leibowitz	Date	A4140 Pena	Date	A4995 West	Date
A3610 Lucio, III	Date	A4160 Phillips	Date	A5005 Woolley	Date
A3705 Macias	Date	A4180 Pickett	Date	A5150 Zedler	Date
A3715 Madden	Date	A3240 Pierson	Date	A5170 Zerwas	Date

A BILL TO BE ENTITLED
AN ACT

By *John W. Kallal*

relating to the continuation and functions of the Office of Rural Community Affairs.

MAR 06 2007

Filed with the Chief Clerk

MAR 13 2007

Read first time and referred to Committee on Agriculture and Livestock

APR 23 2007

Reported favorably (~~unfavorably~~)
(as substituted)

MAY 1 2007

Sent to Committee on (Calendars)
(~~Local & Consent Substitutions~~)

MAY 04 2007

Read second time (comm. subst.) (~~amended~~); passed to third reading (~~failed~~) by a (non-record vote)
(~~record vote of~~ 145 yeas, 0 nays, 1 present, not voting)

MAY 07 2007

Constitutional rule requiring bills to be read on three several days suspended (failed to suspend)
by a vote of 145 yeas, 0 nays, 1 present, not voting

MAY -7 2007

Read third time (~~amended~~); finally passed (~~failed to pass~~) by a (~~non-record vote~~)
(record vote of 145 yeas, 0 nays, 1 present, not voting)

MAY -8 2007

Engrossed

Sent to Senate

Robert Haney
CHIEF CLERK OF THE HOUSE

OTHER HOUSE ACTION:

MAY 08 2007

Received from the House

MAY 10 2007

Read and referred to Committee on GOVERNMENT ORGANIZATION

MAY 17 2007

Reported favorably

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time

Ordered not printed

Laid before the Senate

MAY 21 2007

Senate and Constitutional Rules to permit consideration suspended by (unanimous consent)
(yeas, nays)

MAY 21 2007

Read second time, Amended, and passed to third reading by (unanimous consent)
(a viva voce vote)
(yeas, nays)

MAY 21 2007

Senate and Constitutional 3 Day Rules suspended by a vote of 31 yeas, 0 nays

MAY 21 2007

Read third time, , and passed by a (viva voce vote)
(30 yeas, 11 nays)

AMEND CAPTION TO CONFORM
TO THE BODY OF THE BILL

May 21, 2007

Returned to the House

Astley Spaw
SECRETARY OF THE SENATE

OTHER SENATE ACTION:

MAY 21 2007

Returned from the Senate (~~amended~~)
(with amendments)

House concurred in Senate amendments by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

MAY 24 2007

House refused to concur in Senate amendments and requested the appointment of a conference committee
by a (non-record vote) (~~amended~~ of ~~_____~~ yeas, ~~_____~~ nays, ~~_____~~ present, not voting)

MAY 24 2007

House conferees appointed: Kolkhorst, Chair; Aycock
Cook of Colorado, Hardcastle, Heflin

Senate granted House request. Senate conferees appointed: _____, Chair;

MAY 27 2007

Conference committee report adopted (~~amended~~) by the House by a (~~amended~~)
(record vote of 147 yeas, 8 nays, 2 present, not voting)

MAY 26 2007

Conference committee report adopted (rejected) by the Senate by a (viva voce vote)
(record vote of 30 yeas, 0 nays)

07 MAY 21 PM 11:30
HOUSE OF REPRESENTATIVE

MAY 1, 2007
07 APR 31 AM 1:41
HOUSE OF REPRESENTATIVE